

Maluti-A-Phofung Municipality Proposed Annual Budget 2012/13 “MTREF”





2012/13 TO 2014/15 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR Automated Meter Reading
CFO Chief Financial Officer
MM Municipal Manager
CPI Consumer Price Index
DBSA Development Bank of South Africa
DoRA Division of Revenue Act
DWA Department of Water Affairs
EE Employment Equity
EEDSM Energy Efficiency Demand Side Management
EM Executive Mayor
FBS Free basic services
GAMAP Generally Accepted Municipal Accounting Practice
GRAP General Recognised Accounting Practice
HR Human Resources
IDP Integrated Development Strategy
IT Information Technology
kℓ kilolitre
km kilometre
KPA Key Performance Area
KPI Key Performance Indicator

kWh kilowatt

ℓ litre
LED Local Economic Development
MEC Member of the Executive Committee
MFMA Municipal Financial Management Act
MIG Municipal Infrastructure Grant
MMC Member of Mayoral Committee
MPRA Municipal Properties Rates Act
MSA Municipal Systems Act
MTREF Medium-term Revenue and Expenditure Framework
NERSA National Electricity Regulator South Africa
NGO Non-Governmental organisations
NKPIs National Key Performance Indicators
OP Operational Plan
PMS Performance Management System
PPE Property Plant and Equipment
SALGA South African Local Government Association
SDBIP Service Delivery Budget Implementation Plan



PART1 PROPOSED ANNUAL BUDGET 1.1 MAYOR'S REPORT

See Mayor's Report on Annexure 1



1.2 Resolutions

1.2.1 PROPOSED ANNUAL BUDGET FOR THE 2012/13 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.2 (A) Consolidated Proposed Annual Operating Budget

It is recommended that

The annual consolidated total operating income of R1,153,765,478.04 and annual consolidated total operating expenditure of R1,153,147,766.85 and indicative amounts for the two projected outer years 2013/14 and 2014/15, as set out in the following Tables:

- (a) Operating revenue by source reflected in TABLE A4 on – Page 38
- (b) Operating expenditure by type reflected in TABLE A4
- (c) Operating expenditure by vote classification reflected in TABLE A3 on – Page 36

1.2.3 (B) Consolidated Proposed Annual Capital Budget

It is recommended

- (a) That the Annual consolidated capital budget of R394,023,759.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2013/14 and 2014/15, as set out in TABLE A5 on Page 29

1.2.4 (C) MAP Proposed Annual Operating Budget

It is recommended

That the Annual total operating income of R1,033,424,478.04 and annual total operating expenditure of R1,032,806,766.85 and indicative amounts for the two projected outer years 2013/14 and 2014/15, as set out in the following Schedules:

- (a) Operating revenue and expenditure by source reflected in TABLE A4 on – Page 38
- (b) Operating expenditure by type reflected in TABLE A4 on – Page 38
- (c) Operating expenditure by vote classification reflected in TABLE A3 on – Page 36

1.2.5 (D) MAP Proposed Annual Capital Budget

It is recommended

- (a) That the annual capital budget of R394,023,759.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2013/14 and 2014/15, as set out in TABLE A5 on page 30

1.2.6(E) MAP WATER Annual Operating Budget

It is recommended

That the Annual total operating income of R120,341,000.00 and annual total operating expenditure of R120,341,000.00 and indicative amounts for the two



projected outer years 2013/14 and 2014/15, as set out in the following Schedules:

- (a) Operating revenue by source reflected in TABLE D2 on – Page 2 of Annexure 3
- (b) Operating expenditure by type reflected in TABLE D2 on – Page 2 of Annexure 3

1.2.7 (F) that the property rates and any other municipal tax reflected in Annexure 4 from page 1 to 34, proposed for the budget year 2012/2013 be approved.

1.2.8 (G) that the annual reviewed policies as reflected on Annexure 5 be approved

1.2.9 (H) That the reviewed IDP for 2012/2013 be approved as on Annexure 6



1.3 EXECUTIVE SUMMARY

The preparation of the annual budget for the 2012/2013 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2010/2011 financial year,
- Approved budget 2011/2012
- Expected results for 2012/2013 financial year
- The departmental operational plans to be prepared by the various Heads of the Departments.

The percentage increase in operating expenditure will at all times be limited to the level of increase in operating income. It must also be noted that the final percentage increases per group and department may vary based on the following considerations:

- Review of past performance,
- Expected changes in the macro-economic environment, and
- Community priorities.

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

An annual budget set out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The above forms the basis for the preparation of the annual budget and continuous reference needs therefore to be made to it. Departments are encouraged to pay particular attention to the following when finalising their annual budget documentation:

- Improving the alignment between the IDP, operational plans, and expected service delivery milestones and targets,
- Optimizing the inclusion of new priorities within baseline allocations through reprioritization, and
- Ensuring the affordability of revised medium-term plans which require an increase to baseline allocations.
- National and Provincial priorities and to be included when preparing the budgets
- Money be allocated to from Low priority programmes to High priority programmes

The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at larger which results in difficulties for the municipality in terms revenue collection and this also impact on service delivery.

Despite this pressure on available resources, the 2012/13 budget give s priority to setting aside



the financial means to build on the foundations that have been laid thus far in terms of providing service to and raising the living standards of the poorest individuals and communities at larger. In line with National Government's focus on poverty alleviation, the budget is designed to extend further the Municipality's already extensive packages of services and financial relief measures for indigent communities, while still maintaining appropriate levels of service delivery to the community

Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the council may not budget for a deficit and the budget should be fully funded

The guidelines for growth parameters for the budget process for 2012/2013 - 2014/2015 shall be limited to 6%, to be able to provide services and fulfil its responsibilities, the Municipality will have to obtain additional revenue from tariff increases on the various services provided.

The needs of the community, the ability of the community to pay for the services provided to them and the growth rate allowed by National Treasury has been taken into account when Council considers the annual increase in tariffs and the average effect thereof on consumer accounts. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible therefore they recommend that any increase in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target needs to be justified.

When drafting the 2012/2013 to 2014/2015 budgets the following is taken into account:

- The estimated actual income for the 2011/2012 financial year (based on the July to February income figures).
- An estimated natural growth rate of 1% in services (electricity, waste removal) and a growth rate of 1% (resulting from supplementary valuation roll) on assessment rates on the estimated actual income for the 2011/2012 financial year.
- An average increase of 5% in tariffs.(aggregate)

Although an overall aggregate tariff increase of 5.5% will be maintained when drafting the guidelines for the 2012/2013 to 2014/2015 budget, it must be noted that a different percentage increase may be considered for each service, as long as it results in an overall tariff increase of not more than 5.5% for the Municipality except for electricity which controlled by National Electricity Regulator of South Africa or it were more than 5.5% is used it is justified. This will assist in determining the most acceptable and affordable scenario for the residents and ratepayers of the Maluti-A-Phofung.

The Municipality revenue quantum is determined by setting a package of tariffs which are not only affordable to its ratepayers and the users of its services, but deemed to be fair and realistic levels when viewed in context of its programmes to assist those who do not have the means to pay.

Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost



recovering nature;

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between 4 to 5.7 per cent. (N.B. The 2011/12 actual is an estimate by NT)

Fiscal year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Headline CPI Inflation	3.80%	5.7%	5.9%	5.3%	4.9%

Table 1 CONSOLIDATED OVERVIEW OF THE 2012/13 MTREF

The table below is a consolidated overview of the proposed 2012/13 Medium –term Revenue and Expenditure Framework:

Description	Audit Actuals 2010/2011	Adjustment Budget 2011/2012	MTREF		
			Budget Year 2012/20123	Budget Year +1 2013/2014	Budget Year +2 2014/2015
	R'000	R'000	R'000	R'000	R'000
Revenue	850 928	1 112 130	1 153 765	1 223 753	1 298 803
Expenditure	726 964	1 111 218	1 153 148	1 210 226	1 286 910
Surplus/Deficit	123 964	912	617	13 527	11 893
Total Capital Expenditure	265 843	493 926	394 024	266 848	283 610

1.3.1. FINANCIAL OVERVIEW CONSOLIDATE ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The projected annual revenue amounts to R1, 153, 766 billion for the 2012/13 financial year, which represents an increase of R41, 635 million (4%) above the adjustment budget for 2011/12. For the 2013/14 and 2014/15 financial years the annual budgeted revenue amounts to R1, 223, 752 billion which represents an increase of R69,987 million (6%) and R1,298,803 billion which represents an increase of R75,050 million (6%) respectively. In total the consolidated annual operating expenditure budget for the 2012/13 financial year amounts to R1,153,148 billion, which represents an increase of R41,930 million (4%) above the adjustment budget for 2011/12. For the 2013/2014 and 2014/15 financial years the annual operating expenditure budgets amounts are R1,210,226 billion and R1,286,910 billion respectively, which represent increase of R57,078 (5%) and R76,684 million (6%) for the two outer years.

The capital budget amounts to R394,024 million for 2012/2013 which represents a decrease R99,902 million (25%) when compared to the 2011/2012 Adjustment budget. The reduction is due the projects which were to be



funded with loans which the municipality was intending to undertake from First National Bank. For 2013/2014 and 2014/2015 financial years the annual capital budget amounts to R266, 848 million which represents a decrease R127,176 million (48%) less when compared to 2013/2014 and R283, 610 million for 2014/2015 financial year which represents an increase of R 16,762 million (6%) 2014/2015. A portion of the capital budget will be funded from the capital grants and the balance will be funded from internally generated funds. This internal funding project depends on the municipality collections the capital budgets remains relatively flat over medium term.

1.3.1.2 REVENUE BY SOURCE OF FUNDING

Table2 Summary of revenue classified by main revenue source

	Past performance	Current Year	Medium Term Revenue & Expenditure Framework		
Description	Audit Actuals 2010/2011	Adjustment Budget 2011/2012	Budget Year 2012/2013	Budget Year +1 2013/2014	Budget Year +2 2014/2015
	R'000	R'000	R'000	R'000	R'000
Rates & Taxes	130 656	167 438	204 309	214 424	225 046
Electricity	152 260	318 233	366 000	384 300	403 515
Refuse removal	18 881	19 449	19 266	20 229	21 241
Grants & Subsidies	397 065	315 354	348 037	369 489	394 751
Interest earned - external investments	7 568	2 900	2 424	2 745	3 082
Interest earned - outstanding debtors	24 361	11 550	17 127	17 983	18 883
Other Income	4 244	32 949	10 262	10 675	11 109
Income from Old Debt	-	60 000	-	-	-
Income received by the Municipality on behalf of the Entity for Services	-	38 469	42 618	56 042	68 168
Water	13 134	50 902	45 850	48 143	50 550
Sanitation	34 261	20 500	20 150	21 157	22 215
Grants & Subsidies (Entity)	68 499	74 387	77 723	78 565	80 244
TOTAL OPERATING REVENUE	850 929	1 112 131	1 153 766	1 223 752	1 298 804



Table 3 Percentage growth in revenue by main revenue Source

Description	Past performance		Current Year		Medium Term Revenue & Expenditure Framework					
	Audit Actuals 2010/2011		Adjustment Budget 2011/2012		Budget Year 2012/2013		Budget Year +1 2013/2014		Budget Year +2 2014/2015	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Rates & Taxes	130 656	15%	167 438	15%	204 309	18%	214 424	18%	225 046	17%
Electricity	152 260	18%	318 233	29%	366 000	32%	384 300	31%	403 515	31%
Refuse removal	18 881	2%	19 449	2%	19 266	2%	20 229	2%	21 241	0
Grants & Subsidies	397 065	47%	315 354	28%	348 037	30%	369 489	30%	394 751	30%
Interest earned - external investments	7 568	1%	2 900	0%	2 424	0%	2 745	0%	3 082	0%
Interest earned - outstanding debtors	24 361	3%	11 550	1%	17 127	1%	17 983	1%	18 883	1%
Other Income	4 244	0%	32 949	3%	10 262	1%	10 675	1%	11 109	1%
Income from Old Debt	-	0%	60 000	5%	-	0%	-	0%	-	0%
Income received by the Municipality on behalf of the Entity for Services	-	0%	38 469	3%	42 618	4%	56 042	5%	68 168	5%
Water	13 134	2%	50 902	5%	45 850	4%	48 143	4%	50 550	4%
Sanitation	34 261	4%	20 500	2%	20 150	2%	21 157	2%	22 215	2%
Grants & Subsidies (Entity)	68 499	8%	74 387	7%	77 723	7%	78 565	6%	80 244	6%
TOTAL OPERATING REVENUE	850 929	100%	1 112 131	100%	1 153 766	100%	1 223 752	100%	1 298 804	100%

1.3.1.3 PROPERTY RATES

- a) The proposed revenue for **ASSESSMENT RATES** has increased by 15 per cent from the Adjustment budgets of 2011/2012 and this revenue estimates excluding the rebate (Income forgone) of R527 million. This source of revenue constitutes 18 per cent of the total proposed revenue and it forms core of the municipality revenue base, no tariff increase on assessment rates the increase is mainly on the supplementary valuation roll.

1.3.1.4 ELECTRICITY REVENUE

The estimate for **ELECTRICITY REVENUE** is increased by 13 per cent from the Adjustment budget and the main increase is attributed by tariff increase of 11.03%. This source of revenue constitutes 32 per cent of the total operating revenue. Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has invested on new revenue management system to reduce the losses by installation of smart meters on the household's and Automatic Meter Reading System (AMR) for all the businesses and residential.



1.3.1.5 REFUSE REMOVAL REVENUE

The estimates revenue for REFUSE REMOVAL decreased by 1 per cent as compared to the Adjustment budget. This source of revenue constitutes 2 per cent of our proposed revenue.

1.3.1.6 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 30 per cent of our total proposed operating income and the grants and subsidies consist of the following see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households. Grants have increased by 10 per cent from the adjustment budget.

Table 4 Operating Transfers and Grant Receipts

Description	Amount allocated for 2011/2012	Amount allocated for 2012/2013	Amount allocated for 2013/2014	Amount allocated for 2014/2015
OPERATING GRANTS	R'000	R'000	R'000	R'000
Equitable Share	267 069	338 076	362 119	389 051
Finance Management Grant	1 200	1 500	1 500	1 750
Municipal System Improvement Programme Grant	750	800	870	950
Water Services Operating Subsidy Grant	10 944	7 661	5 000	3 000
Total Operating Grants	279 963	348 037	369 489	394 751

1.3.1.7 INCOME RECEIVED BY MAP ON BEHALF OF THE ENTITY

Income received by MAP on behalf of the entity constitutes 4 per cent of our proposed revenue. Income for all services is paid into one bank account which is for a municipality and billings are done by the Municipality for all services then the income received for water and sanitation on behalf of the entity, then the entity invoice the municipality for the actual income received for this services. Note should be taken that water and sanitation are responsibility of Maluti-A-Phofung Water Entity.

1.3.1.8 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for INTEREST EARNED ON EXTERNAL INVESTMENTS constitutes 0 per cent of the proposed total revenue.

1.3.1.9 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for INTEREST EARNED ON OUTSTANDING DEBTORS has increased by 1 per cent as compared to the approved budget. Note should be taken that non-payment is still a challenge however the municipality has put a debt relief strategy as part of revenue enhancement. This source of revenue constitutes 1 per cent of the proposed total revenue



1.3.1.10 Other Revenue

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, fines, transport fees, dumping fees, etc. and this constitutes 1 per cent of our total Revenue.

1.3.1.11 Water and Sanitation

Water constitutes 4 per cent of our total operating income and this category of income decreased by 10 per cent from the adjustment budget however the municipality is embarking on installing Automatic Meter Reading System (AMR) to replace old meter since some of the meter are faulty and their readings are not accurate. Sanitation constitutes 2 per cent of our total operating income, sanitation decreased by 2 per cent from the adjustment budget.

1.3.2 PROPOSED TARIFF SETTING

Detailed Proposed tariffs for the 2012/2013 financial year are attached to the budget document on

Annexure 4, however the summary of the proposed increase is as follows:

Table 5 summary of proposed tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	11.03%
Refuse	5%
Water	5.5%
General Tariffs	5%
Community Services	5%
Cemetery	5%
Advertising	5%
Sanitation	5%



1.3.2.1 Rates and Taxes Tariff

There is not proposed increase on the Property Rates tariff for 2012/2013 financial year the following tariff will apply:

Table 6 Comparison of proposed rates to levied for the 2012/2013 financial year

DESCRIPTION	Taiff type	2011/2012	2012/2013			
			Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand
RESIDENTIAL PROPERTY						
Market value (developed)	VA0001	0.00760	0.3802	98%	0.37260	0.00760
Market value (undeveloped)	VA0002	0.03802	0.3802	90%	0.34218	0.03802
Old Age / Pensioners / Indigent	VA0003	0.00000	0.3802	100%	0.38020	0.00000
BUSINESS						
Market value (developed)	VA004	0.0380	0.7604	95%	0.72238	0.0380
Market value (undeveloped)	VA005	0.0760	0.7604	90%	0.68436	0.0760
STATE OWNED PROPERTY						
Market value (developed)	VA006	0.0951	0.0951	11%	0.00000	0.0851
Market value (undeveloped)	VA006	0.0951	0.0951	11%	0.00000	0.0851

National Treasury's MFMA Circular No.51 deals inter alia with the implementation of Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on the 1 July 2009 and prescribe the rate ratio for the non-residential categories, public services infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budgets process.

The following stipulations in the Property Rates Policy are highlighted:

The first R65 000 of the market value of a property used for residential purposes is excluded from rate-able value in addition to this 5% rebate will be granted to rate payers who will pay their rates account before the due date which is the 7th of every month

100 per cent rebate will be granted to registered indigents, Old age and state pensioners in terms of Indigent Policy

100 per cent rebate will be granted to registered non- profit organisation



1.3.2.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth out-strips supply. The municipality is in a process of reviewing the current water tariff structure to ensure that water tariffs structures are cost reflective by 2015 and also to ensure that:

- Water tariffs are fully cost – reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A summary of the approved tariffs for households (residential) and non-residential are as follows:

Table 7 Proposed Water Tariff

CATEGORY	CURRENT TARIFFS 2011/2012	PROPOSED TARIFFS 2012/2013
	Rand per kl	Rand per kl
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS		
0-6 kl - free basic water	5.80	6.12
7-12 kl	7.09	7.48
13-25 kl	7.31	7.71
26-40 kl	7.51	7.92
41kl and upwards	8.43	8.89
0-6 kl non inc municipal area, Plots & Farms	4.74	5.00
MAP AREA - NON DOMESTIC USERS PER KL		
Schools	5.41	5.71
Nestle, Nouwens, FDC, Industrial	7.45	7.86
Swimming Pool, Churches, Intabazwe Business	7.45	7.86
Business, Institution, Government, Small Industrial	7.51	7.92
Departmental	7.51	7.92
Sport Clubs, Showgrounds, Hotels & Motels	7.51	7.92



Table 8 Comparison between current water charge and increase

MAP AREA-DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS	Current Tariffs 2011/12	Proposed Tariffs 2012/13	Increase	Percentage Increase
0-6kl-free basic water	5.5	5.8	0.30	5.5%
7-12kl	6.72	7.09	0.37	5.5%
13-25kl	6.93	7.31	0.38	5.5%
26-40kl	7.12	7.51	0.39	5.5%
41kl and upwards	7.99	8.43	0.44	5.5%
0-6kl non inc municipal area, plots & farms	4.49	4.74	0.25	5.5%

The tariff structure of the 2011/2012 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate.

1.3.2.3 Sale of Electricity and impact of tariff increase

NERSA has approved 11.03 per cent increase in the Eskom bulk electricity tariff which will come into effect as from 01 July 2012

The municipality has made an application to NERSA in regard to stepped tariff structure which needs to be implemented as from 01 July 2012 the effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). NERSA has approved the application and the municipality will start with the implementation as from the 01 July 2012.

Registered indigents and customers will again be granted 50 kWh per 30-day period free of charge however the 50kWh will no longer be provided to non-indigents customer in 2013/2014 financial year since municipality is losing a lot of money subsidising the customer who can afford



Table 9 Comparison between current Electricity charge and increase

TARIFF -A		Current Tariffs 2010/11	Proposed Tariffs 2011/12	Increase	Percentage Increase
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.					
BASIC LEVY - PER MONTH					
Single Phase (Conventional Meters)		125.00	139.34	13.79	11.03%
Three Phase (Conventional Meters)		145.00	160.99	15.99	11.03%
Rural Tarrif		126.30	140.23	13.93	11.03%
TARIFF PER UNIT					
Normal meter-per kWh(single phase)summer tarrif	(0-50kWh)	FREE			
	(51-350kWh)	0.83	1.12	0.29	35.00%
	(351-600kWh)	1.19	1.32	0.13	11.03%
	(>600kWh)	1.24	1.38	0.14	11.03%
Normal meter-per kWh(single phase)winter tarrif	(0-50kWh)	FREE		FREE	
	(51-350kWh)	0.92	1.24	0.32	35.00%
	(351-600kWh)	1.26	1.40	0.14	11.03%
	(>600kWh)	1.36	1.51	0.15	11.03%
Normal meter-per kWh(three phase)summer tarrif	(0-50kWh)	FREE		FREE	
	(51-350kWh)	0.82	1.11	0.29	35.00%
	(351-600kWh)	1.22	1.35	0.13	11.03%
	(>600kWh)	1.25	1.39	0.14	11.03%
Normal meter-per kWh(three phase)winter tarrif	(0-50kWh)	FREE		FREE	
	(51-350kWh)	0.86	1.16	0.30	35.00%
	(351-600kWh)	1.24	1.38	0.14	11.03%
	(>600kWh)	1.32	1.47	0.15	11.03%
Pre-paid meter - per kWh(Single phase&three phase)summer tarrif	(0-50kWh)	FREE		FREE	
	(51-350kWh)	0.88	1.14	0.26	30.00%
	(351-600kWh)	1.26	1.40	0.14	11.03%
	(>600kWh)	1.35	1.50	0.15	11.03%
Pre-paid meter - per kWh(Single phase&three phase)winter tarrif	(0-50kWh)	FREE		FREE	
	(51-350kWh)	0.96	1.25	0.29	30.00%
	(351-600kWh)	1.26	1.40	0.14	11.03%
	(>600kWh)	1.35	1.50	0.15	11.03%

1.3.2.4 Sanitation and impact of tariffs increases

A tariff increase of 5 per cent for sanitation from 1 July 2012 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent subsidy) will be applicable to registered indigents; and



- The total revenue expected to be generated from rendering this service amounts to R20.150 million for the 2012/2013 financial year.

The following table compares the current and approved tariffs:

Table 10 Comparison between current Sanitation charge and increase

DOMESTIC - BASIC CHARGE PER STAND	Current Tariffs 2011/12	Proposed Tariffs 2012/13	Increase	Percentage Increase
Harrismith & Kestell: Domestic, Flats, Old age & Hostels	102.92	108.07	5.15	5.0%
Intabazwe	62.02	65.12	3.10	5.0%
Tshiame A	42.72	44.85	2.13	5.0%
Tshiame B shared connections	48.55	50.98	2.43	5.0%
Qwa Qwa area	83.77	87.96	4.19	5.0%
Tlholong	37.54	39.42	1.88	5.0%

1.3.2.5 Waste removal and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. A 5 per cent increase in the waste removal tariff is proposed from 1 July 2012



Table 11 Comparison between current Refuse removal charge and increase

	Current Tariffs 2011/12	Proposed Tariffs 2012/13		
<u>Residential:</u>	Per month for one refuse removal per week		Increase	Percentage Increase
Dwellings, Town Lands, Flats, Churches, Halls, Old Aged Homes, Schools, Sport Stadiums and Clubs, Agricultural.	56.23	59.04	2.81	5%
Harrismith Town Plot dwellings	65.15	68.41	3.26	5%
Phuthaditjhaba	65.15	68.41	3.26	5%
Kestell	65.15	68.41	3.26	5%
Tlholong	65.15	68.41	3.26	5%
Intabazwe	65.15	68.41	3.26	5%
Tshiame	65.15	68.41	3.26	5%
Departmental	65.15	68.41	3.26	5%
Businesses, including businesses operated from residential dwellings (per container per month)	232.50	244.12	11.62	5%

1.3.2.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increase on large and small households, as well as an indigent household receiving free basic services



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

Table 12 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % Incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		213 447.00	213 447.00	266 809.00	266 809.00	266 809.00	266 809.00	-	266 809.00	274 813.27	291 302.00
Electricity: Basic levy		56.65	81.66	104.93	126.32	126.32	126.32	11.0%	140.21	147.22	154.58
Electricity: Consumption		215 547.78	307 817.36	395 927.24	415 969.40	415 969.40	415 969.40	11.0%	461 726.00	552 104.84	578 575.62
Water: Basic levy											-
Water: Consumption		1 289 155.98	1 519 226.59	1 519 226.59	1 602 888.63	1 602 888.63	1 602 888.63	5.5%	1 691 047.50	1 784 055.11	1 882 178.14
Sanitation		21 410.00	21 410.00	21 410.00	22 909.00	22 909.00	22 909.00	5.0%	24 054.00	25 497.00	27 026.82
Refuse removal		18 518.00	18 518.00	19 444.00	20 805.00	20 805.00	20 805.00	5.0%	21 845.25	23 156.00	24 545.36
Other											
sub-total		1 758 135.41	2 080 500.61	2 222 921.76	2 329 507.35	2 329 507.35	2 329 507.35	5.8%	2 465 621.96	2 659 773.44	2 803 782.52
VAT on Services											
Total large household bill:		1 758 135.41	2 080 500.61	2 222 921.76	2 329 507.35	2 329 507.35	2 329 507.35	5.8%	2 465 621.96	2 659 773.44	2 803 782.52
% increase/decrease			18.3%	6.8%	4.8%	-	-		5.8%	7.9%	5.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		98 512 553.44	98 512 553.44	98 540 691.81	110 540 691.81	110 540 691.81	110 540 691.81	-	110 540 692.00	110 544 913.00	110 553 607.00
Electricity: Basic levy		56.65	81.66	104.93	126.32	126.32	126.32	11.0%	140.21	147.22	154.58
Electricity: Consumption		87 233.94	124 576.19	160 234.97	160 234.97	160 234.97	168 346.20	11.0%	186 864.28	223 441.32	234 154.26
Water: Basic levy											
Water: Consumption		116 439.72	137 220.26	137 220.26	144 776.82	144 776.82	144 776.82	5.5%	160 702.27	161 092.12	170 022.60
Sanitation		1 457.00	1 741.00	1 745.00	1 745.00	1 745.00	1 745.00	5.0%	1 840.98	1 840.98	1 840.98
Refuse removal		1 603.00	1 542.00	1 640.00	1 640.00	1 640.00	1 640.00	5.0%	1 722.00	1 722.00	1 722.00
Other											
sub-total		98 719 343.75	98 777 714.55	98 841 636.97	110 849 214.92	110 849 214.92	110 857 326.15	-	110 891 961.74	110 933 156.64	110 961 501.42
VAT on Services											
Total small household bill:		98 719 343.75	98 777 714.55	98 841 636.97	110 849 214.92	110 849 214.92	110 857 326.15	-	110 891 961.74	110 933 156.64	110 961 501.42
% increase/decrease			0.1%	0.1%	12.1%	-	0.0%		0.0%	0.0%	0.0%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		257 782.66	257 782.66	322 228.32	322 228.32	322 228.32	322 228.32	-	322 228.32	331 895.17	351 808.88
Electricity: Basic levy		56.65	81.66	104.93	126.32	126.32	126.32	11.0%	140.21	147.22	154.58
Electricity: Consumption		36 477.72	52 092.74	67 003.81	70 395.60	70 395.60	70 395.60	11.0%	78 139.16	93 434.16	97 913.88
Water: Basic levy											
Water: Consumption		418 210.74	492 847.17	492 847.17	519 987.69	519 987.69	519 987.69	5.5%	548 587.01	578 586.54	610 661.70
Sanitation		373.00	373.00	373.00	373.00	373.00	373.00	5.0%	391.65	391.65	391.65
Refuse removal		396.00	396.00	396.00	396.00	396.00	396.00	5.0%	415.80	415.80	415.80
Other											
sub-total		713 296.77	803 573.23	882 953.23	913 506.93	913 506.93	913 506.93	4.0%	949 902.15	1 004 870.54	1 061 346.49
VAT on Services											
Total small household bill:		713 296.77	803 573.23	882 953.23	913 506.93	913 506.93	913 506.93	4.0%	949 902.15	1 004 870.54	1 061 346.49
% increase/decrease			12.7%	9.9%	3.5%	-	-		4.0%	5.8%	5.6%



1.3.3 OPERATING EXPENDITURE BY TYPE

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Summary of operating expenditure by standard classification item

Description	Audit Actuals 2010/2011	Adjustment Budget 2011/2012	Budget Year 2012/2013	% in relation to 2012/13 budget year	Budget Year +1 2013/2014	Budget Year +2 2014/2015
	R'000	R'000	R'000		R'000	R'000
Employee related costs	205 624	247 939	275 100	24%	284 315	312 473
Remuneration of Councillors	15 283	20 307	24 074	2%	25 205	27 379
Debt impairment	62 105	68 393	66 594	6%	69 924	73 420
Depreciation	40 460	55 000	49 000	4%	51 450	54 023
Repairs and maintenance	38 417	65 608	75 496	7%	79 271	83 235
Finance charges	5 066	10 480	16 000	1%	16 800	17 640
Bulk purchases - Electricity	223 016	256 195	310 920	27%	326 755	343 093
Contracted services	72 145	76 228	74 785	6%	78 524	82 450
Grants and subsidies paid	-	74 387	77 723	7%	78 565	80 244
General expenses	64 849	236 681	183 456	16%	199 417	212 953
TOTAL OPERATING EXPENDITURE BY TYPE	726 965	1 111 218	1 153 148	100%	1 210 226	1 286 910



The following table gives a breakdown of the main expenditure categories for the 2012/2013 financial year:

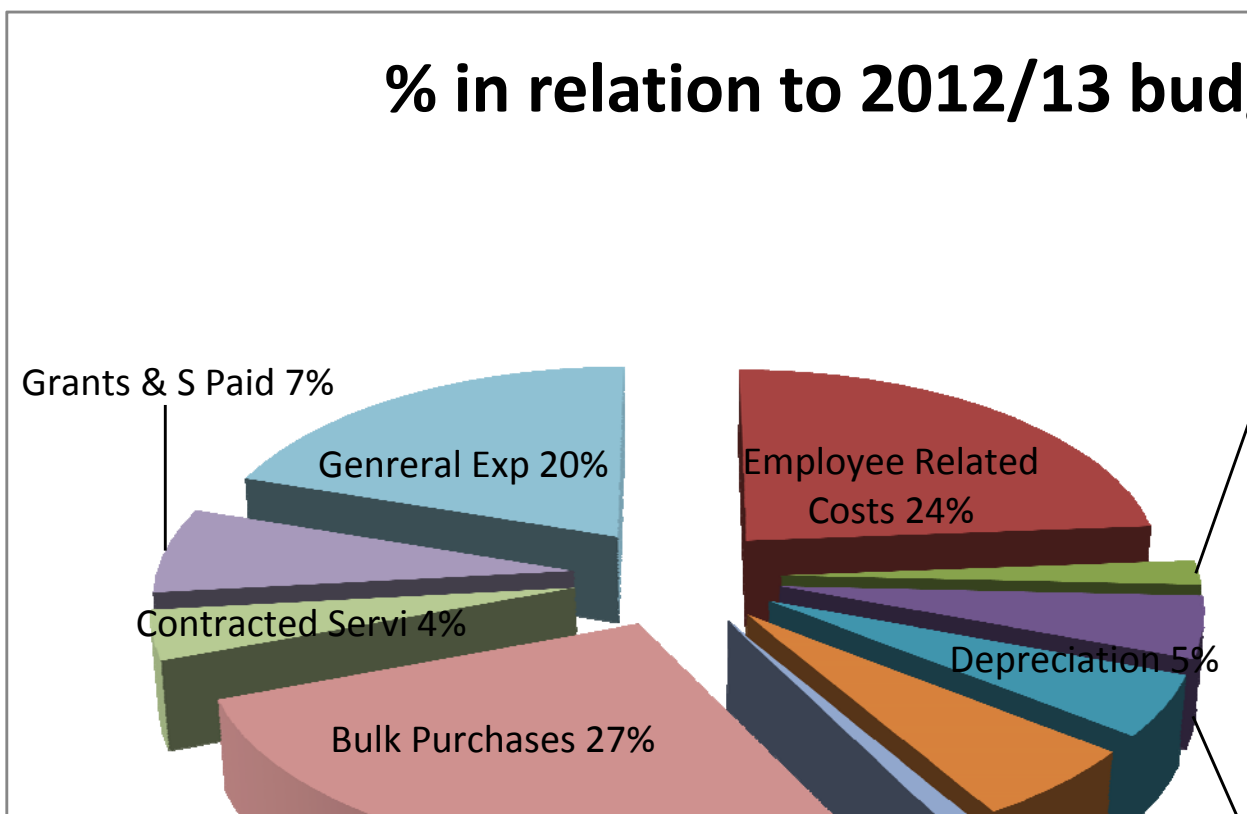




Table 14 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Revenue by Vote	1									
Vote 1 - Legislative Authority		26 480	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		87 589	381 157	629 032	682 323	585 112	585 112	574 459	607 282	644 483
Vote 4 - Corporate Services		492	150	496	53	123	123	55	58	61
Vote 5 - Community Services		32 433	18 159	18 958	18 539	19 472	19 472	7	8	8
Vote 6 - Public Safety		1 538	5 767	589	1 861	2 908	2 908	3 349	3 516	3 692
Vote 7 - Human Settlement and Traditional Affairs		1 116	395	755	397	783	783	1 410	1 430	1 452
Vote 8 - Municipal Infrastructure		314 788	165 020	186 947	283 949	390 290	390 290	452 559	475 187	498 946
Vote 9 - LED & Tourism		–	–	–	–	–	–	–	–	–
Vote 10 - Parks, Sports & Recreation		1 289	1 460	851	956	588	588	1 586	1 665	1 748
Vote 11 - Water & Sanitation		–	–	–	–	–	–	–	–	–
Vote 12 - Water		–	–	13 300	124 148	112 856	112 856	120 341	134 607	148 412
Vote 13 - Example 13		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - Clinics		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	465 724	572 108	850 927	1 112 225	1 112 130	1 112 130	1 153 766	1 223 753	1 298 803
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		26 511	37 927	29 231	42 448	32 336	32 336	37 788	25 701	27 900
Vote 2 - Office of the Municipal Manager		8 762	18 255	11 311	32 177	23 484	23 484	28 557	30 767	33 166
Vote 3 - Financial Services		181 926	187 443	184 135	379 321	363 195	363 195	340 400	354 427	371 090
Vote 4 - Corporate Services		16 030	19 084	20 092	39 502	30 807	30 807	33 582	36 194	39 029
Vote 5 - Community Services		34 023	37 334	36 385	46 122	43 121	43 121	11 326	12 243	13 242
Vote 6 - Public Safety		23 862	27 526	35 962	37 819	46 538	46 538	87 776	93 880	100 462
Vote 7 - Human Settlement and Traditional Affairs		7 964	20 898	18 557	23 784	21 858	21 858	24 619	26 476	28 489
Vote 8 - Municipal Infrastructure		202 240	172 118	272 830	341 221	406 941	406 941	432 386	456 625	482 339
Vote 9 - LED & Tourism		2 448	6 714	2 381	5 417	3 544	3 544	9 323	9 732	10 445
Vote 10 - Parks, Sports & Recreation		13 289	15 538	19 874	24 941	26 538	26 538	27 050	29 572	32 336
Vote 11 - Water & Sanitation		–	–	–	–	–	–	–	–	–
Vote 12 - Water		–	–	96 205	124 148	112 856	112 856	120 341	134 607	148 412
Vote 13 - Example 13		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - Clinics		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	517 055	542 837	726 964	1 096 900	1 111 218	1 111 218	1 153 148	1 210 226	1 286 910
Surplus/(Deficit) for the year	2	(51 331)	29 270	123 963	15 324	912	912	618	13 527	11 894

1.3.3.1 Employee Related Cost and Remuneration by Councillors

The budgeted allocation for employee related cost for 2012/13 amounts to R275 million which equals to 24 per cent of the total operating expenditure, and R24 million for remuneration of Councillors allowances which constitutes 2 per cent of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2012/13) which is based on 8.5 per cent that must still be confirmed by the Bargaining Council. Included in the employee related cost is the budget for vacant posts which are critical and the overtime was provided for emergency services and other functions at a minimal

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998) The most recent proclamation in this regard it has been taken into account in compiling the municipality's budget.



1.3.3. 2 Repairs and Maintenance

Repairs and Maintenance constitutes 7 per cent of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance. During the compilation of 2012/2013 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure and historic deferred maintenance. Repairs and maintenance was substantially increased by 13 per cent in 2012/2013 financial year, from R65 million to R75 million

The repairs and maintenance of electricity, roads, storm water systems, traffic lights, buildings, vehicles, grounds, and equipment will be included in this category.

The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following was also considered:

- New assets to be acquired during the course of the year and which would require maintenance.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Table 15 Repairs and Maintenance per asset class

Description	Adjustment Budget 2011/2012	Budget Year 2012/2013	%	Budget Year +1 2013/2014	Budget Year +2 2014/2015
<i>R & M - AERODROME</i>	25 000	50 000	0%	52 500	55 125
<i>R & M - BUILDINGS</i>	486 579	1 666 065	2%	1 753 568	1 841 246
<i>R & M - COMPUTER EQUIPMENT</i>	324 503	890 500	1%	935 025	981 776
<i>R & M - EQUIPMENT & TOOLS</i>	517 135	591 500	1%	621 075	652 129
<i>R & M - COMMUNICATION SYSTEM</i>	30 463	100 000	0%	105 000	110 250
<i>R & M - FENCING</i>	121 218	205 763	0%	216 051	226 853
<i>R & M - FURNITURE</i>	69 991	246 000	0%	254 100	266 805
<i>R & M - ROADS</i>	43 409 000	37 900 000	50%	39 795 000	41 784 750
<i>R & M - GROUNDS & OPEN SPACES</i>	500 000	250 000	0%	262 500	275 625
<i>R & M - MOTORS & PUMPS</i>	324 569	130 000	0%	136 500	143 325
<i>R & M - NETWORK RETICULATION</i>	4 800 000	5 200 000	7%	5 460 000	5 733 000
<i>R & M - OFFICE MACHINES/COMPUTERS</i>	338 448	1 688 000	2%	1 772 400	1 861 020
<i>R & M - RADIO'S</i>	213 377	256 024	0%	268 825	282 267
<i>R & M - RAILWAY SIDINGS/CEMETRIES</i>	225 000	300 000	0%	315 000	330 750
<i>R & M - STREET LIGHTS</i>	8 000 000	7 302 629	10%	7 667 760	8 051 148
<i>R & M - STREET NAMES & SIGNS</i>	300 000	420 000	1%	441 000	463 050
<i>R & M - STREETS & STORMWATER</i>	375 000	500 000	1%	525 000	551 250
<i>R & M - SUBSTATIONS</i>	800 000	4 800 000	6%	5 040 000	5 292 000
<i>R & M - VEHICLES</i>	4 325 351	9 000 000	12%	9 450 000	9 922 500
<i>R & M -TRAFFIC LIGHTS</i>	422 009	4 000 000	5%	4 200 000	4 410 000
TOTAL	65 607 643	75 496 480	100%	79 271 304	83 234 870

For the 2012/2013 financial year 50 per cent of the total repairs and maintenance will be spent on roads followed by repairs of municipal vehicles by 12 per cent and maintenance of street lights by 10 per cent.



1.3.3.3 BULK PURCHASES (ELECTRICITY & WATER)

Proposed Bulk purchases of electricity and water amounts to R310 million which constitutes 27 per cent of the expenditure for 2012/2013 the increase is directly informed by the purchases of electricity from Eskom.

1.3.3.4 FINANCE CHARGES

Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). This constitutes 1% of the total annual operating expenditure for 2012/2013

1.3.3.5 CONTRACTED SERVICE

This includes services which have a period of more than one year and these services are electricity, indigent register, financial systems, landside fill, revenue enhancement project and Municipal building insurance. This constitutes 6 per cent of the proposed expenditure for 2012/2013

1.3.3.6 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity and it constitutes 7 per cent of the proposed expenditure for 2012/2013

1.3.3.7 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training board fees, electricity disconnection fees, grants-in-aid, stationary, printing and postage cost, telecommunication, various rentals, etc. An included in this category is allocation for free basic services (FBS), an allocation of approximately R126 million from equitable share grant shall be utilized for the provision of free basic services and direct subsidy of indigents. An also included in this category is the

The procurement of moveable assets, with an expected lifespan of more than one year, can be classified as capital expenditure financed from the operating budget.

This category will include assets such as furniture, machinery and equipment, electricity and water connections, books, fire-fighting equipment, traffic signs, etc. This category constitutes 16 per cent of total operating expenditure.

1.3.3.8 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The provision for debt impairment was determined based on an annual collection rate (Current payment levels) and this expenditure is considered to be a non-cash flow item it, it constitutes 6 per cent of the total operating expenditure. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's anticipated revenues.

The provision for depreciation and assets impairment constitutes 4 per cent of our total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.



1.3.4 SOCIAL PACKAGE

The following social package will be provided during 2012/2013 financial year.

Table 16 social packages

Service charges	Residents	Indigent
Electricity	50kWh per month	50kWh per month
Water	6kl per month	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first R65 000 of market value is granted)	100%
Assessment rates	5% will be granted on the full payments done on rates before the due date (7th) of every month	
Assessment rates	(20% rebate will be granted on the full payment made in full before 30 September 2012)	

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in term of the Municipality's Indigent Policy. The process of registration has started and the qualifying applicant will be published on the local newspaper

The cost of the social package of the registered indigent households is financed by National Government through the Local Government Equitable Share received in terms of the Annual Division of Revenue Act.

It is proposed that the Free Basic Electricity (50kWh) be provided only to registered indigents within the municipality in the 2013/2014 financial year.

1.3.5 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community. The procurement of assets, with a lifespan of more than one year can be classified as capital expenditure.



Table 17 CONSOLIDATED CAPITAL BY FUNDING SOURCE

Description	Amount allocated for 2011/2012	Amount allocated for 2012/2013	Amount allocated for 2013/2014	Amount allocated for 2014/2015
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Integrated National Electrification Programme (Municipal) Grant	39 600	10 000	15 000	15 000
Expanded Public Works Programme Incentive grant for Municipalities	10 059	8 062	-	-
Electric demand management grant	-	3 000	-	-
Regional Bulk Infrastructure Grant (Indirect Grant)	70 581	44 620	32 600	31 400
Municipal Infrastructure Grant	171 336	207 842	219 248	237 210
Total National Grants	291 576	273 524	266 848	283 610
Provincial Grants	21 000		-	-
External Loans	174 000	98 000	-	-
Own funds allocation	7 350	22 500	-	-
Total Capital Grants	493 926	394 024	266 848	283 610

The below table clearly indicates that the majority of allocations made were to those votes responsible for infrastructure development. This allocation in 2011/12 represents just over R3 683 million or 72.4% of the total budgetary allocation for the year. Utility Services includes the services responsible for the provision of electricity, solid waste, water and sanitation.



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Traditional Affairs		-	-	-	55 575	-	-	-	-	-
Vote 8 - Municipal Infrastructure		206 640	177 776	265 843	333 995	423 345	423 345	217 667	95 905	105 867
Vote 9 - LED & Tourism		-	-	-	-	-	-	-	-	-
Vote 10 - Parks, Sports & Recreation		5 740	-	-	-	-	-	27 953	29 953	31 953
Vote 11 - Water & Sanitation		-	-	-	-	-	-	59 084	72 390	77 390
Vote 12 - Water		-	-	-	68 780	70 581	70 581	89 320	68 600	68 400
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - Clinics		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Single-year expenditure to be appropriated	2									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 8 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism		-	-	-	-	-	-	-	-	-
Vote 10 - Parks, Sports & Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Water & Sanitation		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - Clinics		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Capital Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 391	2 549	14 160	19 500	33 777	33 777	36 953	37 953	39 953
Community and social services		5 151	2 549	2 700	-	16 800	16 800	9 000	8 000	8 000
Sport and recreation		5 740	-	11 460	19 500	16 977	16 977	27 953	29 953	31 953
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		500	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		69 592	146 337	82 489	152 428	128 336	128 336	82 105	57 105	66 067
Planning and development		36 000	23 171	15 208	54 400	60 300	60 300	23 000	-	-
Road transport		33 592	123 166	67 281	98 028	68 036	68 036	59 105	57 105	66 067
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		50 478	28 890	116 518	276 249	276 162	276 162	172 404	167 990	173 790
Electricity		15 400	19 448	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Water		34 840	6 987	52 625	110 555	116 278	116 278	89 320	68 600	68 400
Waste water management		237	2 455	44 023	77 094	58 684	58 684	59 084	72 390	77 390
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		80 920	-	52 676	10 173	55 651	55 651	102 562	3 800	3 800
Total Capital Expenditure - Standard	3	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Funded by:										
National Government		132 090	154 605	171 595	269 775	291 576	291 576	273 524	266 848	283 610
Provincial Government		500	-	14 000	-	21 000	21 000	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	132 590	154 605	185 595	269 775	312 576	312 576	273 524	266 848	283 610
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	48 000	23 171	-	174 000	174 000	174 000	98 000	-	-
Internally generated funds		31 790	-	80 248	14 575	7 350	7 350	22 500	-	-
Total Capital Funding	7	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610



Table 19 -List of Capital Project for 2012/2013

MIG CAPITAL EXPENDITURE	ALLOCATION 2012-2013	ALLOCATION 2013/2014	ALLOCATION 2014/2015
PMU ESTABILSHMENT	3 500 000	3 800 000	3 800 000
MAKHOLOKWENG SEWER	12 000 000	11 000 000	13 000 000
HARRISMITH WASTE WATER TREAMENT WORKS	20 000 000	30 000 000	40 000 000
VIP TOILET PROJECT PHASE 9	22 084 000	25 390 000	17 390 000
PHUTHADITJHABA PAVED ROADS PHASE 2	11 775 000	12 775 000	13 775 000
TSHIAME PAVED ROADS PHASE 2	8 000 000	9 000 000	10 000 000
INTABAZWE PAVED ROADS PHASE 2	8 000 000	9 000 000	10 000 000
DISASTER PARK PAVED ROADS PHASE 2	7 531 564	6 532 000	8 532 000
FENCING INFRA CEMETREIS PHASE1b	8 000 000	9 000 000	10 000 000
QWAQWA RURAL: WATER NETWORK PH2	29 700 000	30 000 000	30 000 000
INTABAZWE EXT 3 ROADS PHASE1	12 000 000	13 500 000	14 000 000
NEW INDOOR SPORT & RECREATIONAL FACILITY	19 953 000	20 953 000	21 953 000
HIGHMAST LIGHTS	11 000 000	12 000 000	13 000 000
SEDIBA HALL	9 000 000	8 000 000	8 000 000
MANDELA PARK SEWER	5 000 000	6 000 000	7 000 000
KESTELL/TLHOLONG WATER TOTAL SOLUTION	10 000 000	-	-
QWAQWA ROADS	5 298 195	6 298 000	9 760 000
MAKHOLOKWENG RESERVOIR	5 000 000	6 000 000	7 000 000
TOTAL MIG PROJECTS	207 841 759	219 248 000	237 210 000



TABLE 20 OTHER PROJECTS AS PER FUNDING SOURCE			
	ALLOCATION 2012-2013	ALLOCATION 2013/2014	ALLOCATION 2014/2015
DoE			
ELECTRIFICATION PROGRAMME (2700)	10 000 000	15 000 000	15 000 000
DWA			
STERKFORTEIN/QWAQWA BULK WATER SCH	44 620 000	32 600 000	31 400 000
OWN SOURCE			
INTEGRATED ENERGY CENTRE	6 000 000	-	-
CCTV	10 000 000		
Turfontein/Makeneng Paved Road	6 500 000		
Total own source	22 500 000		
EPWPIG	8 062 000	-	-
EDMG	3 000 000		
EXTERNAL LOAN			
SMART METER	35 000 000		
UPGRADING OF OLD BUILDING	23 000 000		
YELLOW FLEET	40 000 000		
TOTAL EXTERNAL LOAN	98 000 000		
TOTAL	186 182 000	47 600 000	46 400 000

1.4 FINAL BUDGET TABLES -PARENT MUNICIPALITY

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the Municipality's operating income and expenditure budget for 2012/13 budgets and two outer years as approved by the Council. Each table is accompanied by explanatory notes on the facing page.



TABLE 21 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands									
Financial Performance									
Property rates	114 035	151 425	132 112	194 660	167 438	167 438	204 309	214 424	225 046
Service charges	139 413	173 557	222 289	391 789	409 084	409 084	451 266	473 830	497 521
Investment revenue	5 056	3 406	7 568	6 400	2 900	2 900	2 424	2 745	3 082
Transfers recognised - operational	185 202	229 251	465 564	315 354	315 354	315 354	348 037	369 489	394 751
Other own revenue	22 181	14 469	28 439	79 874	104 499	104 499	27 389	28 657	29 992
Total Revenue (excluding capital transfers and contributions)	465 887	572 108	855 971	988 077	999 274	999 274	1 033 425	1 089 145	1 150 391
Employee costs	117 357	130 802	155 157	180 841	188 573	188 573	201 900	221 540	243 422
Remuneration of councillors	16 208	16 965	15 168	20 307	20 307	20 307	24 074	25 205	27 379
Depreciation & asset impairment	32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Finance charges	2 510	3 998	3 116	29 980	10 480	10 480	16 000	16 800	17 640
Materials and bulk purchases	137 891	166 548	237 515	245 000	245 000	245 000	300 000	315 000	330 750
Transfers and grants	41 961	61 789	68 499	74 387	74 387	74 387	77 723	78 565	80 244
Other expenditure	168 698	126 801	206 411	367 237	404 615	404 615	364 110	367 058	385 041
Total Expenditure	517 055	542 837	724 991	972 753	998 363	998 363	1 032 807	1 075 619	1 138 498
Surplus/(Deficit)	(51 168)	29 270	130 981	15 324	912	912	618	13 527	11 893
Transfers recognised - capital	-	-	-	443 775	-	-	273 524	266 848	283 610
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Capital expenditure & funds sources									
Capital expenditure	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Transfers recognised - capital	132 590	154 605	185 595	269 775	312 576	312 576	273 524	266 848	283 610
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	48 000	23 171	-	174 000	174 000	174 000	98 000	-	-
Internally generated funds	31 790	-	80 248	14 575	7 350	7 350	22 500	-	-
Total sources of capital funds	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Financial position									
Total current assets	212 646	331 559	257 352	588 574	1 328 535	590 535	289 030	200 083	211 681
Total non current assets	550 574	678 206	877 848	435 079	154 298	893 128	1 298 294	1 572 355	1 839 204
Total current liabilities	210 559	243 842	245 409	131 491	131 491	131 491	139 224	146 185	145 376
Total non current liabilities	11 187	19 622	12 510	14 882	14 882	14 882	98 000	-	-
Community wealth/Equity	541 474	746 301	877 282	877 280	1 336 460	1 337 290	1 350 099	1 626 253	1 905 508
Cash flows									
Net cash from (used) operating	74 250	207 804	257 620	224 568	124 306	124 306	308 338	347 741	380 945
Net cash from (used) investing	(91 932)	(185 081)	(248 887)	19 051	19 051	19 051	(286 243)	(324 838)	(358 432)
Net cash from (used) financing	(1 928)	13 732	(6 322)	(212 215)	(212 215)	(212 215)	(22 000)	(22 000)	(22 000)
Cash/cash equivalents at the year end	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	5 145	6 048	6 561
Cash backing/surplus reconciliation									
Cash and investments available	9 675	38 340	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Application of cash and investments	34 248	(64 858)	(15 783)	(55 995)	(992 089)	(266 604)	(143 830)	(51 526)	(50 873)
Balance - surplus (shortfall)	(24 573)	103 198	55 287	125 619	1 061 713	336 228	145 830	54 066	53 565
Asset management									
Asset register summary (WDV)	493 721	635 561	865 514	458 350	493 926	493 926	387 524	336 848	358 610
Depreciation & asset impairment	32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Renewal of Existing Assets	76 303	177 776	46 318	166 675	34 177	34 177	70 275	43 275	45 775
Repairs and Maintenance	14 264	38 266	39 836	67 004	65 608	65 608	75 496	79 271	83 235
Free services									
Cost of Free Basic Services provided	-	-	112	118	118	118	5 478	3 848	4 121
Revenue cost of free services provided	-	-	218 731	164 932	164 932	164 932	533 441	558 791	587 429
Households below minimum service level									
Water:	-	0	0	0	0	0	0	0	0
Sanitation/sewage:	-	1	1	1	1	1	1	1	1
Energy:	6	6	6	6	6	6	7	7	7
Refuse:	-	-	-	-	-	-	-	-	-



Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
- Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - 1) The municipality's financial performance shows surplus position over 2012/2013 MTREF.
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - Internally generated funds are financed from previous year's accumulated surpluses. The affordability and sustainability of these funds is confirmed by the positive and increasing cash flow over the 2012/2013 MTREF.
 - Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities
 - 3) The municipality's cash backing/surplus reconciliation over the 2012/2013 MTREF shows a positive and increasing trend, which is an indication that the Municipality will be able to afford its commitments over the next three years.
 - 4) The municipality continued efforts to eradicate infrastructure backlogs are evident in the annual increase in the cost of free basic services and the revenue cost of free basic services. That said, backlogs for sanitation, water and electricity remain reality.



TABLE 22 MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
<i>Governance and administration</i>		114 231	384 457	630 897	682 323	585 112	585 112	574 459	607 282	644 483
Executive and council		26 643	-	-	-	-	-	-	-	-
Budget and treasury office		87 588	384 457	630 488	682 323	585 112	585 112	574 459	607 282	644 483
Corporate services		-	-	409	-	-	-	-	-	-
<i>Community and public safety</i>		19 609	4 082	1 835	2 878	3 712	3 712	4 997	5 247	5 509
Community and social services		18 071	1 615	380	1 015	146	146	62	65	69
Sport and recreation		-	-	565	-	588	588	1 586	1 665	1 748
Public safety		1 538	2 467	589	1 861	2 908	2 908	3 349	3 516	3 692
Housing		-	-	300	2	70	70	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 116	395	504	395	713	713	1 410	1 430	1 452
Planning and development		1 116	395	454	395	713	713	1 410	1 430	1 452
Road transport		-	-	50	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		330 930	183 174	222 735	302 481	409 739	409 739	452 559	475 187	498 946
Electricity		314 788	165 020	152 636	283 949	318 888	318 888	367 293	385 658	404 940
Water		-	-	26 389	-	50 902	50 902	45 850	48 143	50 550
Waste water management		-	-	24 759	-	20 500	20 500	20 150	21 158	22 215
Waste management		16 143	18 154	18 951	18 533	19 449	19 449	19 266	20 229	21 241
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	465 887	572 108	855 971	988 077	999 275	999 275	1 033 425	1 089 146	1 150 391
Expenditure - Standard										
<i>Governance and administration</i>		229 506	258 596	308 182	485 632	442 139	442 139	434 974	441 299	464 919
Executive and council		33 628	50 001	38 976	63 357	46 274	46 274	56 441	45 990	49 976
Budget and treasury office		114 314	61 039	252 133	153 695	129 618	129 618	340 400	354 427	371 090
Corporate services		81 564	147 556	17 073	268 580	266 247	266 247	38 133	40 882	43 854
<i>Community and public safety</i>		49 407	63 106	79 311	93 287	97 751	97 751	93 038	100 840	109 348
Community and social services		10 944	13 796	14 570	20 884	19 781	19 781	16 678	18 033	19 508
Sport and recreation		13 289	15 538	19 874	24 941	26 538	26 538	27 050	29 572	32 336
Public safety		23 862	27 526	35 962	37 819	46 538	46 538	42 947	46 416	50 190
Housing		1 277	6 246	8 905	9 643	4 894	4 894	6 362	6 820	7 314
Health		35	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		33 878	49 151	29 222	80 460	83 182	83 182	73 011	77 968	83 302
Planning and development		7 963	18 397	9 653	18 513	19 812	19 812	18 257	19 657	21 174
Road transport		23 132	27 784	19 568	61 947	63 370	63 370	54 754	58 311	62 128
Environmental protection		2 783	2 970	-	-	-	-	-	-	-
<i>Trading services</i>		204 263	171 984	305 894	312 330	374 594	374 594	422 460	445 779	470 483
Electricity		177 496	144 334	279 493	279 275	343 571	343 571	381 852	401 603	422 408
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		26 768	27 650	26 401	33 055	31 023	31 023	40 608	44 176	48 076
<i>Other</i>	4	-	-	2 381	1 045	696	696	9 323	9 732	10 445
Total Expenditure - Standard	3	517 055	542 837	724 991	972 753	998 362	998 362	1 032 807	1 075 619	1 138 498
Surplus/(Deficit) for the year		(51 168)	29 272	130 980	15 324	913	913	618	13 527	11 893

Explanatory notes to MBRR Table A2- Budgeted Financial Performance (Revenue and expenditure by standard classification)

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 9 functional areas.
- Two major contributing items to the increased operating revenue are additional allocations on the Equitable Share and tariff increases on service charges (Electricity, Water and refuse)
- This table highlights that the expenditure for Electricity and refuse exceed their revenues and this is absorbed within the rates revenue, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



TABLE 23 MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote		1									
Vote 1 - Legislative Authority			26 480	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager			–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services			87 589	381 157	630 488	682 323	585 112	585 112	574 459	607 282	644 483
Vote 4 - Corporate Services			492	150	496	53	123	123	55	58	61
Vote 5 - Community Services			32 433	18 159	18 958	18 539	19 472	19 472	7	8	8
Vote 6 - Public Safety			1 538	5 767	589	1 861	2 908	2 908	3 349	3 516	3 692
Vote 7 - Human Settlement and Traditional Affairs			1 116	395	755	397	783	783	1 410	1 430	1 452
Vote 8 - Municipal Infrastructure			314 788	165 020	203 834	283 949	390 290	390 290	452 559	475 187	498 946
Vote 9 - LED & Tourism			–	–	–	–	–	–	–	–	–
Vote 10 - Parks, Sports & Recreation			1 289	1 460	851	956	588	588	1 586	1 665	1 748
Vote 11 - Water & Sanitation			–	–	–	–	–	–	–	–	–
Vote 12 - Water			–	–	–	–	–	–	–	–	–
Vote 13 - Example 13			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - Clinics			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	465 724	572 108	855 971	988 077	999 274	999 274	1 033 424	1 089 146	1 150 391
Expenditure by Vote to be appropriated		1									
Vote 1 - Legislative Authority			26 511	37 927	29 231	42 448	32 336	32 336	37 788	25 701	27 900
Vote 2 - Office of the Municipal Manager			8 762	18 255	11 311	32 177	23 484	23 484	28 557	30 767	33 166
Vote 3 - Financial Services			181 926	187 443	252 133	379 321	363 195	363 195	340 400	354 427	371 090
Vote 4 - Corporate Services			16 030	19 084	20 092	39 502	30 807	30 807	33 582	36 194	39 029
Vote 5 - Community Services			34 023	37 334	36 385	46 122	43 121	43 121	11 326	12 243	13 242
Vote 6 - Public Safety			23 862	27 526	35 962	37 819	46 538	46 538	87 776	93 880	100 462
Vote 7 - Human Settlement and Traditional Affairs			7 964	20 898	18 559	23 784	21 858	21 858	24 619	26 476	28 489
Vote 8 - Municipal Infrastructure			202 240	172 118	299 062	341 221	406 941	406 941	432 386	456 625	482 339
Vote 9 - LED & Tourism			2 448	6 714	2 381	5 417	3 544	3 544	9 323	9 732	10 445
Vote 10 - Parks, Sports & Recreation			13 289	15 538	19 874	24 941	26 538	26 538	27 050	29 572	32 336
Vote 11 - Water & Sanitation			–	–	–	–	–	–	–	–	–
Vote 12 - Water			–	–	–	–	–	–	–	–	–
Vote 13 - Example 13			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - Clinics			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	517 055	542 837	724 991	972 753	998 362	998 362	1 032 807	1 075 619	1 138 498
Surplus/(Deficit) for the year		2	(51 331)	29 270	130 980	15 324	912	912	618	13 527	11 894

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation is responsibility of the Municipal entity



TABLE 24 SURPLUS/ (DEFICIT) CALCULATIONS FOR THE TRADING SERVICES

DESCRIPTION	2008/2009	2009/2010	2010/2011	Current Year 2011/2012			2012/2013 MTREF		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/2013	Budget Year 2013/2014	Budget Year 2014/2015
R Thousands							3	4	15
ELECTRICITY									
Total Revenue (incl capital grants and transfers)	314 788	165 020	152 636	283 949	318 888	318 888	377 293	400 658	419 940
Operating Expenditure	-177 496	-144 334	-253 262	-279 275	-343 571	-343 571	-381 852	-401 603	-422 408
Surplus/(Deficit) for the year	137 292	20 686	-100 626	4 674	-24 683	-24 683	-4 559	-945	-2 468
Percentage Surplus	44%	13%	-66%	2%	-8%	-8%	-1%	0%	-1%
WATER									
Total Revenue (incl capital grants and transfers)	-	-	13 300	124 148	163 758	163 758	152 709	166 393	181 705
Operating Expenditure	-	-	-96 205	-124 148	-112 856	-112 856	-120 341	-134 607	-148 412
Surplus/(Deficit) for the year	-	-	-82 905	-	50 902	50 902	32 368	31 786	33 293
Percentage Surplus			-623%	0%	31%	31%	21%	19%	18%

- The electricity trading is running at a loss over the 2012/2013 MTREF which represents -1 per cent or –R4,559 million in 2012/2013 to -1 per cent or –R2,468 million by 2014/2015. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 21 per cent, 19 per cent and 18 per cent for each of the respective financial years.



TABLE 25 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates		2	114 035	151 425	132 112	194 660	167 438	167 438	204 309	214 424	225 046
Property rates - penalties & collection charges											
Service charges - electricity revenue		2	123 270	155 403	152 260	280 763	318 233	318 233	366 000	384 300	403 515
Service charges - water revenue		2	-	-	26 389	-	50 902	50 902	45 850	48 143	50 550
Service charges - sanitation revenue		2	-	-	24 759	-	20 500	20 500	20 150	21 158	22 215
Service charges - refuse revenue		2	16 143	18 154	18 881	18 349	19 449	19 449	19 266	20 229	21 241
Service charges - other			-	-		92 678	-	-			
Rental of facilities and equipment			902	224	313	588	220	220	1 200	1 260	1 323
Interest earned - external investments			5 056	3 406	7 568	6 400	2 900	2 900	2 424	2 745	3 082
Interest earned - outstanding debtors			18 756	11 183	24 361	11 550	11 550	11 550	17 127	17 983	18 883
Dividends received											
Fines			547	282	465	1 575	2 415	2 415	3 051	3 204	3 364
Licences and permits											
Agency services											
Transfers recognised - operational			185 202	229 251	465 564	315 354	315 354	315 354	348 037	369 489	394 751
Other revenue		2	1 976	2 779	3 300	66 161	90 314	90 314	6 011	6 211	6 422
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)			465 887	572 108	855 971	988 077	999 274	999 274	1 033 425	1 089 145	1 150 391
Expenditure By Type											
Employee related costs		2	117 357	130 802	155 157	180 841	188 573	188 573	201 900	221 540	243 422
Remuneration of councillors			16 208	16 965	15 168	20 307	20 307	20 307	24 074	25 205	27 379
Debt impairment		3	40 525	(20 797)	62 105	58 000	68 393	68 393	66 594	69 924	73 420
Depreciation & asset impairment		2	32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Finance charges			2 510	3 998	3 116	29 980	10 480	10 480	16 000	16 800	17 640
Bulk purchases		2	137 891	166 548	237 515	245 000	245 000	245 000	300 000	315 000	330 750
Other materials		8									
Contracted services			48 654	69 111	66 960	63 298	76 228	76 228	74 785	78 524	82 450
Transfers and grants			41 961	61 789	68 499	74 387	74 387	74 387	77 723	78 565	80 244
Other expenditure		4, 5	79 519	78 487	77 346	245 939	259 994	259 994	222 731	218 610	229 171
Loss on disposal of PPE											
Total Expenditure			517 055	542 837	724 991	972 753	998 363	998 363	1 032 807	1 075 619	1 138 498
Surplus/(Deficit)			(51 168)	29 270	130 981	15 324	912	912	618	13 527	11 893
Transfers recognised - capital						443 775			273 524	266 848	283 610
Contributions recognised - capital		6	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions			(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Taxation											
Surplus/(Deficit) after taxation			(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Share of surplus/ (deficit) of associate		7									
Surplus/(Deficit) for the year			(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503

Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1, 033, 425 billion for the 2012/13 financial year, which represents an increase of R34,150 million (3%) above the Adjustment budget for 2011/12. For the 2013/14 and 2014/15 financial years the annual budgeted revenue amounts to R1, 089, 145 billion which represents an increase of R55,721 million (5%) and R1,150,391 billion which represents an increase of R61,245 million (5%) respectively.
- Revenue to be generated from Property Rates amounts to R204 309 million in the 2012/13 financial year and increases to R214 424 million by 2013/14, which represents 18% of the operating revenue base of the municipality and therefore remain significant funding source for the municipality.
- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R451 266 million for the 2012/13

financial year and increasing to R473, 829 million in 2013/14. For the 2012/13 financial year, service charges are 39% of the total revenue collection.

- Transfers Recognised- Operating includes the equitable share and other operating grants from national government. It needs to be noted that in real terms the grants receipts from National government are growing rapidly over the MTREF by 10 per cent 2012/2013 as compared to 2011/2012 and by 6 per cent and 7 per cent for the two outer years.

The following graph illustrates the major expenditure items per type.

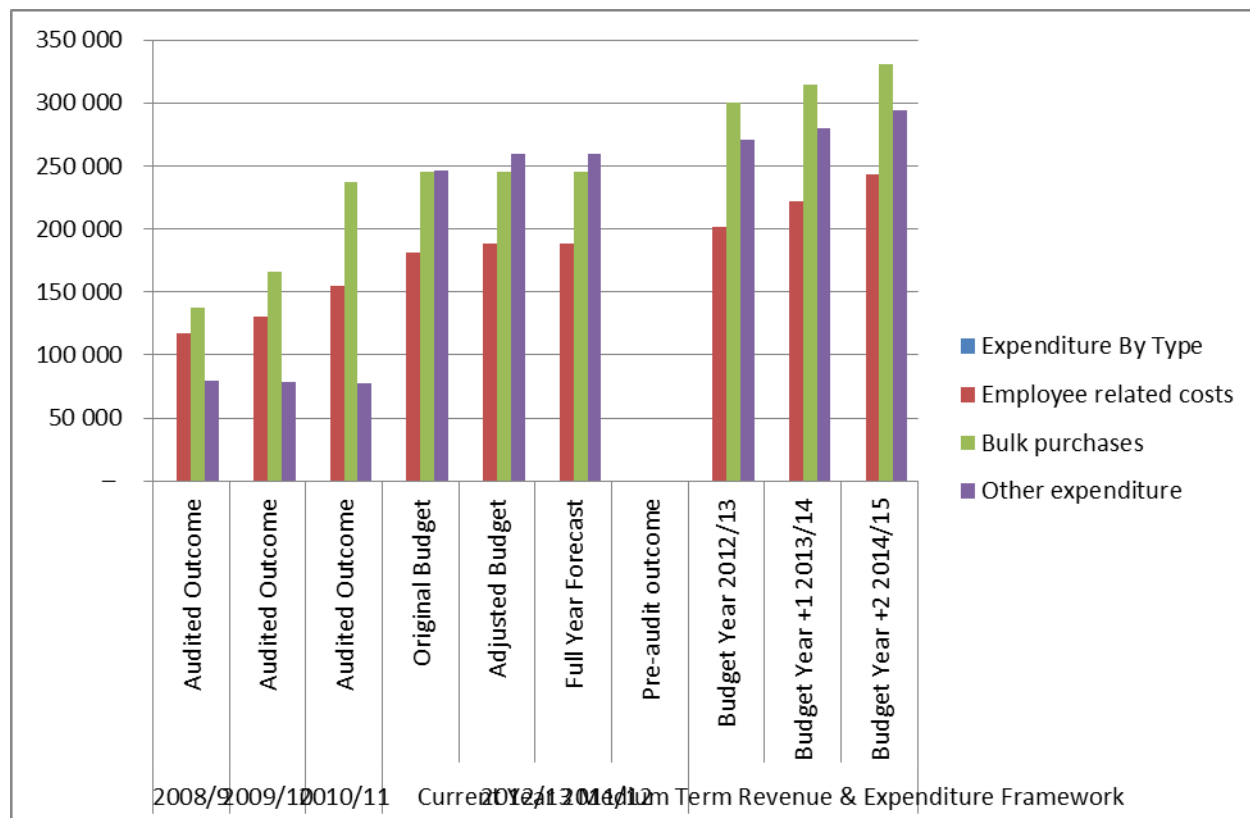


Figure 3 Expenditure by major type

- Bulk purchases have significantly over the 2007/08 to 2012/2013 period, escalating from 245 million to 300 million. This increase is attributed to substantial increase in the cost of bulk electricity from Eskom.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure , i.e. from R188 million to R201 900 million a provision of 8.5 per cent has been made however note should be taken that this still needs to be confirmed with Bargaining Council
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost etc. Also included in this allocation for Free basic services (FBS). The procurement of moveable assets with an expected lifespan of more than one year. This category constitute 16% of the total operating expenditure



TABLE 26 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Traditional Affairs		-	-	-	55 575	-	-	-	-	-
Vote 8 - Municipal Infrastructure		206 640	177 776	265 843	333 995	423 345	423 345	217 667	95 905	105 867
Vote 9 - LED & Tourism		-	-	-	-	-	-	-	-	-
Vote 10 - Parks, Sports & Recreation		5 740	-	-	-	-	-	27 953	29 953	31 953
Vote 11 - Water & Sanitation		-	-	-	-	-	-	59 084	72 390	77 390
Vote 12 - Water		-	-	-	68 780	70 581	70 581	89 320	68 600	68 400
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - Clinics		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Single-year expenditure to be appropriated	2									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 8 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 9 - LED & Tourism		-	-	-	-	-	-	-	-	-
Vote 10 - Parks, Sports & Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Water & Sanitation		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Example 13		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - Clinics		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Capital Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 391	2 549	14 160	19 500	33 777	33 777	36 953	37 953	39 953
Community and social services		5 151	2 549	2 700	16 800	16 800	16 800	9 000	8 000	8 000
Sport and recreation		5 740	-	11 460	19 500	16 977	16 977	27 953	29 953	31 953
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		500	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		69 592	146 337	82 489	152 428	128 336	128 336	82 105	57 105	66 067
Planning and development		36 000	23 171	15 208	54 400	60 300	60 300	23 000	-	-
Road transport		33 592	123 166	67 281	98 028	68 036	68 036	59 105	57 105	66 067
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		50 478	28 890	116 518	276 249	276 162	276 162	172 404	167 990	173 790
Electricity		15 400	19 448	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Water		34 840	6 987	52 625	110 555	116 278	116 278	89 320	68 600	68 400
Waste water management		237	2 455	44 023	77 094	58 684	58 684	59 084	72 390	77 390
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		80 920	-	52 676	10 173	55 651	55 651	102 562	3 800	3 800
Total Capital Expenditure - Standard	3	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
Funded by:										
National Government		132 090	154 605	171 595	269 775	291 576	291 576	273 524	266 848	283 610
Provincial Government		500	-	14 000	-	21 000	21 000	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	132 590	154 605	185 595	269 775	312 576	312 576	273 524	266 848	283 610
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	48 000	23 171	-	174 000	174 000	174 000	98 000	-	-
Internally generated funds		31 790	-	80 248	14 575	7 350	7 350	22 500	-	-
Total Capital Funding	7	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610



Explanatory Note to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The municipality has allocated multi-year appropriations amounting to R394 024 million in 2012/2013 and slightly reducing to R266 848 million and escalates to R283 610 million in 2014/2015.
3. The Capital Budget is funded by allocations made to the Municipality by National Government and internally generated funds from current year surpluses. For 2012/2013 capital transfers totals R394 024 million in and slightly reducing to R266 848 million and escalates to R283 610 million in 2014/2015 with internally generated funding totalling to R22 500 million.



TABLE 27 MBRR Table A6 – Budgeted Financial Position

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash											
Call investment deposits	1		36 979	38 339	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Consumer debtors	1		88 021	216 630	153 215	317 476	175 366	175 366	214 031	212 662	225 422
Other debtors			66 850	62 426	39 915	72 336	83 703	83 703	52 319	61 116	62 000
Current portion of long-term receivables			18 744	11 440	22 631	126 943	16 943	126 943	16 890	19 857	23 568
Inventory	2		2 052	2 723	2 087	2 195	4 899	4 899	3 789	3 909	3 998
Total current assets			212 646	331 559	257 352	588 574	350 535	460 535	289 030	300 083	317 681
Non current assets											
Long-term receivables			18 744	22 631	11 440		12 000		12 550	13 500	15 250
Investments			0	0	0						
Investment property											
Investment in Associate											
Property, plant and equipment	3		493 721	636 395	862 827	435 079	893 128	893 128	1 281 176	1 556 509	1 824 385
Agricultural											
Biological											
Intangible					287						
Other non-current assets			38 108	19 180	3 295				4 568	2 346	3 569
Total non current assets			550 574	678 206	877 848	435 079	905 128	893 128	1 298 294	1 572 355	1 843 204
TOTAL ASSETS			763 219	1 009 765	1 135 201	1 023 653	1 255 663	1 353 663	1 587 324	1 872 438	2 160 885
LIABILITIES											
Current liabilities											
Bank overdraft	1		27 304	-	-	-	-	-	-	-	-
Borrowing	4		-	-	-	-	-	-	-	-	-
Consumer deposits			7 961	9 474	10 816	15 624	15 624	15 624	16 405	17 225	11 258
Trade and other payables	4		175 294	234 368	234 593	115 867	115 867	115 867	122 819	128 960	134 118
Provisions											
Total current liabilities			210 559	243 842	245 409	131 491	131 491	131 491	139 224	146 185	145 376
Non current liabilities											
Borrowing			11 187	19 622	12 510	14 882	14 882	14 882	98 000	-	-
Provisions			-	-	-	-	-	-	-	-	-
Total non current liabilities			11 187	19 622	12 510	14 882	14 882	14 882	98 000	-	-
TOTAL LIABILITIES			221 746	263 464	257 919	146 373	146 373	146 373	237 224	146 185	145 376
NET ASSETS	5		541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253	2 015 508
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253	2 015 508
Reserves	4		-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5		541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253	2 015 508

Explanatory notes to Table A6 - Budgeted Financial Position

1. The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 102) are provided with details of the major components of items such as:

- Call Investment Deposits
- Consumer Debtors
- Property, Plant and Equipment
- Trade and Other Payables
- Non-Current Provisions
- Changes in Net Assets
- Reserves



3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

TABLE 28 MBRR Table A7 – Budgeted Cash Flows

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

PS174 Maun-ta-Phonung - Table A7: Budgeted Cash Flows											
Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			223 923	336 682	468 562	293 771	669 471	669 471	652 964	690 912	722 558
Government - operating		1	187 025	231 161	286 130	315 354	315 354	315 354	348 037	369 489	394 751
Government - capital		1	145 009	141 117	201 577	287 275	312 576	312 576	273 524	266 848	283 610
Interest			5 056	3 406	7 568	6 009	14 450	14 450	2 424	2 745	3 082
Dividends											
Payments											
Suppliers and employees			(262 529)	(364 440)	(537 988)	(645 411)	(790 102)	(790 102)	(774 887)	(786 888)	(825 172)
Finance charges			(2 510)	(3 998)	(3 116)	(32 430)	(10 480)	(10 480)	(16 000)	(16 800)	(17 640)
Transfers and Grants		1	(221 724)	(136 124)	(165 114)		(386 963)	(386 963)	(177 723)	(178 565)	(180 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES			74 250	207 804	257 620	224 568	124 306	124 306	308 338	347 741	380 945
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			6 953	1 189	5 464	1 963	1 963	1 963	2 000	-	-
Decrease (Increase) in non-current debtors			(80 164)	(179 015)	(257 433)	(6 985)	(6 985)	(6 985)	(130 976)	(53 000)	(62 500)
Decrease (increase) other non-current receivables			(18 721)	(7 255)	3 081	178	178	178	2 568	3 560	4 560
Decrease (increase) in non-current investments						23 895	23 895	23 895	5 689	4 450	5 869
Payments											
Capital assets									(244 524)	(279 848)	(306 361)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(91 932)	(185 081)	(248 887)	19 051	19 051	19 051	(365 243)	(324 838)	(358 432)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans						(20 000)	(20 000)	(20 000)	-	-	-
Borrowing long term/refinancing				18 652		(174 000)	(174 000)	(174 000)	98 000	-	-
Increase (decrease) in consumer deposits						3 785	3 785	3 785			
Payments											
Repayment of borrowing			(1 928)	(4 921)	(6 322)	(22 000)	(22 000)	(22 000)	(22 000)	(22 000)	(22 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(1 928)	13 732	(6 322)	(212 215)	(212 215)	(212 215)	76 000	(22 000)	(22 000)
NET INCREASE/ (DECREASE) IN CASH HELD			(19 611)	36 455	2 411	31 404	(68 858)	(68 858)	19 095	903	513
Cash/cash equivalents at the year begin:		2	6 678	(12 933)	23 522	13 356	13 356	13 356	5 050	24 145	25 048
Cash/cash equivalents at the year end:		2	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	24 145	25 048	25 561

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The table shows the cash and cash equivalents of the Municipality during the 2011/12 to 2014/15 MTREF.
4. The Municipality has embarked on an extensive debt collection process to boost cash levels it has implemented a debt relief strategy in order to improve their collections. These initiatives and interventions with Provincial government it might have to translate the municipality into a positive cash position
5. For the 2013/14 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R24 145 million by 2012/13 and steadily increasing to R25 048 million by 2014/15 and R25 561 million by 2014/2015.



TABLE 29 MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

2011/12 Multi-Annual Plan - Table A6 Cash backed reserves/accumulated surplus/reconciliation								2012/13 Medium Term Revenue & Expenditure Framework		
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12					
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available										
Cash/cash equivalents at the year end	1	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	24 145	25 048	25 561
Other current investments > 90 days		22 608	14 818	13 571	24 864	125 126	125 126	(22 145)	(22 508)	(22 868)
Non current assets - Investments	1	0	0	0	-	-	-	-	-	-
Cash and investments available:		9 675	38 340	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Application of cash and investments										
Unspent conditional transfers		36 622	11 594	33 738	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(2 374)	(76 452)	(49 521)	(55 995)	(150 605)	(138 809)	(143 830)	(147 900)	(156 488)
Other provisions		-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		34 248	(64 858)	(15 783)	(55 995)	(150 605)	(138 809)	(143 830)	(147 900)	(156 488)
Surplus(shortfall)		(24 573)	103 198	55 287	125 619	220 229	208 433	145 830	150 440	159 180

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"
4. From the table it can be seen that for the Municipality remained in a surplus net cash flow position for the period 2009/10 to 2014/15.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was fully funded
6. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF, the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
7. As can be seen, the budget has been modelled to progressively move from a surplus of R145 830 million in 2012/13 to a surplus of R150 440 million in 2013/14 and to a surplus of R159 180 in 2014/2015.



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
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TABLE 30 MBRR Table A9 – Asset Management

FS194 Maluti-a-Phofung - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	136 077	–	219 525	291 675	459 749	459 749	323 749	223 573	237 835
Infrastructure - Road transport		33 592	–	39 108	74 400	66 636	66 636	28 830	30 830	38 292
Infrastructure - Electricity		15 400	–	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Infrastructure - Water		34 840	–	52 625	19 775	116 278	116 278	89 320	68 600	68 400
Infrastructure - Sanitation		238	–	44 023	6 500	58 684	58 684	59 084	72 390	77 390
Infrastructure - Other		4 617	–	5 405	85 673	55 651	55 651	57 562	3 800	3 800
Infrastructure		88 687	–	161 031	274 948	398 449	398 449	258 796	202 620	215 882
Community		47 391	–	2 850	16 727	25 000	25 000	19 953	20 953	21 953
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	55 357	–	36 300	36 300	45 000	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	287	–	–	–	–	–	–
Total Renewal of Existing Assets	2	76 303	177 776	46 318	166 675	34 177	34 177	70 275	43 275	45 775
Infrastructure - Road transport		–	3 124	28 173	45 928	1 400	1 400	30 275	26 275	27 775
Infrastructure - Electricity		15 400	19 448	–	–	–	–	–	–	–
Infrastructure - Water		–	6 987	–	108 780	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	2 455	–	11 967	–	–	–	–	–
Infrastructure		15 400	32 014	28 173	166 675	1 400	1 400	30 275	26 275	27 775
Community		60 903	145 762	11 400	–	8 777	8 777	17 000	17 000	18 000
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	6 745	–	24 000	24 000	23 000	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		33 592	3 124	67 281	120 328	68 036	68 036	59 105	57 105	66 067
Infrastructure - Electricity		30 800	19 448	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Infrastructure - Water		34 840	6 987	52 625	128 555	116 278	116 278	89 320	68 600	68 400
Infrastructure - Sanitation		238	–	44 023	6 500	58 684	58 684	59 084	72 390	77 390
Infrastructure - Other		4 617	2 455	5 405	97 640	55 651	55 651	57 562	3 800	3 800
Infrastructure		104 087	32 014	189 204	441 623	399 849	399 849	289 071	228 895	243 657
Community		108 294	145 762	14 250	16 727	33 777	33 777	36 953	37 953	39 953
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	62 102	–	60 300	60 300	68 000	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	287	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	212 380	177 776	265 843	458 350	493 926	493 926	394 024	266 848	283 610
ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		77 888	98 017	176 166	120 328	68 036	68 036	52 605	57 105	66 067
Infrastructure - Electricity		102 754	114 672	124 970	88 600	101 200	101 200	24 000	27 000	28 000
Infrastructure - Water		103 931	103 337	223 810	128 555	116 278	116 278	89 320	68 600	68 400
Infrastructure - Sanitation		96 165	91 406	92 036	6 500	58 684	58 684	59 084	72 390	77 390
Infrastructure - Other		2 072	4 625	10 088	97 640	55 651	55 651	57 562	3 800	3 800
Infrastructure		382 811	412 056	627 070	441 623	399 849	399 849	282 571	228 895	243 657
Community		10 436	12 593	10 847	16 727	33 777	33 777	36 953	37 953	39 953
Heritage assets		88	85	82	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		100 386	210 827	227 229	–	60 300	60 300	68 000	70 000	75 000
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	287	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	493 721	635 561	865 514	458 350	493 926	493 926	387 524	336 848	358 610
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Repairs and Maintenance by Asset Class	3	14 264	38 266	39 836	67 004	65 608	65 608	75 496	79 271	83 235
Infrastructure - Road transport		6 715	13 254	26 668	44 207	44 009	44 009	38 820	40 761	42 799
Infrastructure - Electricity		2 700	2 741	5 550	6 550	14 022	14 022	21 303	22 368	23 486
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	1 620	135	446	446	–	–	–
Infrastructure		9 415	15 995	33 838	50 892	58 477	58 477	60 123	63 129	66 285
Community		100	–	–	1 457	500	500	806	846	888
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	4 749	22 270	5 998	14 654	6 630	6 630	14 568	15 296	16 061
TOTAL EXPENDITURE OTHER ITEMS		46 693	74 200	78 961	122 004	120 608	120 608	124 496	130 721	137 257
Renewal of Existing Assets as % of total capex		35.9%	100.0%	17.4%	36.4%	6.9%	6.9%	17.8%	16.2%	16.1%
Renewal of Existing Assets as % of deprecn"		235.3%	494.7%	118.4%	303.0%	62.1%	62.1%	143.4%	84.1%	84.7%
R&M as a % of PPE		2.9%	6.0%	4.6%	15.4%	42.5%	7.3%	5.9%	5.1%	4.6%
Renewal and R&M as a % of PPE		18.0%	34.0%	10.0%	51.0%	20.0%	20.0%	38.0%	36.0%	36.0%



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.



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TABLE 31 MBRR Table A10 – Basic service delivery measurement

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling			12 890	13 000 000	13 200	13 200	13 200	13 860	14 553	15 281
Piped water inside yard (but not in dwelling)			5 065	5 115	5 371	5 371	5 371	5 639	5 921	6 157
Using public tap (at least min.service level)	2		3 890	3 900	3 986	3 986	3 986	4 010	4 120	4 115
Other water supply (at least min.service level)	4		2 281	2 395	2 514	2 514	2 514	2 640	2 772	2 883
<i>Minimum Service Level and Above sub-total</i>		–	24 126	13 011 410	25 071	25 071	25 071	26 149	27 366	28 436
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply			178	186	195	195	195	205	215	223
<i>Below Minimum Service Level sub-total</i>		–	178	186	195	195	195	205	215	223
Total number of households	5	–	24 304	13 011 596	25 266	25 266	25 266	26 354	27 581	28 659
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)			13 241	13 373	14 042	14 042	14 042	14 744	15 482	16 101
Flush toilet (with septic tank)			464	469	492	492	492	517	542	562
Chemical toilet			4 599	4 645	4 878	4 878	4 878	5 122	5 378	5 689
Pit toilet (ventilated)			2 830	29 718	31 204	31 204	31 204	32 765	34 403	35 680
Other toilet provisions (> min.service level)			966	1 014	1 064	1 064	1 064	1 117	1 173	1 285
<i>Minimum Service Level and Above sub-total</i>		–	22 100	49 219	51 680	51 680	51 680	54 265	56 978	59 317
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions			966	1 014	1 064	1 064	1 064	1 117	1 173	1 220
<i>Below Minimum Service Level sub-total</i>		–	966	1 014	1 064	1 064	1 064	1 117	1 173	1 220
Total number of households	5	–	23 066	50 233	52 744	52 744	52 744	55 382	58 151	60 537
<u>Energy:</u>										
Electricity (at least min.service level)		2 904	2 904	3 049	3 201	3 201	3 201	3 361	3 529	3 706
Electricity - prepaid (min.service level)		8 713	8 713	9 149	9 606	9 606	9 606	10 086	10 591	11 520
<i>Minimum Service Level and Above sub-total</i>		11 617	11 617	12 198	12 807	12 807	12 807	13 447	14 120	15 226
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		5 739	5 739	6 026	6 327	6 327	6 327	6 643	6 975	7 254
<i>Below Minimum Service Level sub-total</i>		5 739	5 739	6 026	6 327	6 327	6 327	6 643	6 975	7 254
Total number of households	5	17 356	17 356	18 224	19 134	19 134	19 134	20 090	21 095	22 480
<u>Refuse:</u>										
Removed at least once a week		16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000
<i>Minimum Service Level and Above sub-total</i>		16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)				67	70	70	70	13 200	16 000	19 000
Sanitation (free minimum level service)				8	8	8	8	6 000	9 000	12 000
Electricity/other energy (50kwh per household per month)				100	106	106	106	98 361	59 000	60 000
Refuse (removed at least once a week)				8	8	8	8	6 000	9 000	12 000
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)				26	28	28	28	544	576	611
Sanitation (free sanitation service)				8	8	8	8	367	386	405
Electricity/other energy (50kwh per household per month)				72	76	76	76	4 200	2 500	2 700
Refuse (removed once a week)				6	6	6	6	367	386	405
Total cost of FBS provided (minimum social pack)		–	–	112	118	118	118	5 478	3 848	4 121
Highest level of free service provided										
Property rates (R value threshold)								65 000	65 000	65 000
Water (kilolitres per household per month)				6kl	6kl	6kl	6kl	6kl	6kl	6kl
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)				79	80	80	80	108	113	119
Electricity (kwh per household per month)				50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Refuse (average litres per week)				62	63	63	63	78	82	86
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)				30 512	32 648	32 648	32 648	346 067	363 370	383 356
Property rates (other exemptions, reductions and rebates)				76 000	81 320	81 320	81 320	181 514	190 590	198 302
Water				26 484	28 338	28 338	28 338	544	576	611
Sanitation				7 657	8 193	8 193	8 193	648	1 017	1 428
Electricity/other energy				72 067	8 000	8 000	8 000	4 200	2 500	2 700
Refuse				6 012	6 433	6 433	6 433	468	738	1 032
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	–	–	218 731	164 932	164 932	164 932	533 441	558 791	587 429



Explanatory notes to Table A10 – Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality is persistently striving to eradicate backlogs. The municipality's current backlog status can be summarised as follows:
 - (a) Water services - The majority of Maluti-a-Phofung population in both formal and informal settlements receives portable water service levels that generally meet the national minimum standards as required by the Water Service Act (Act 108 of 1997) Backlog for this service is
 - b) Sanitation services – The backlog is currently at 26 000 and it is expected to be reduced by 10 000 in 2012/2013 at a cost of R80 million, 10 000 at a cost of R80 million in 2013/2014 and 6 000 at a cost of R48 million in 2014/2015 over the MTREF period.
 - c) Electricity services – The electrification strategy is to reduce the backlog by 909 in 2012/2013, 2 000 in 2013/2014 and 2 000 in 2014/2015. As a result, the total electricity backlog is expected to decline from 7 898 in 2012/2013 to 2 989 in 2014/2015
 - d) Refuse services – The municipality delivers a refuse collection service to all formal properties within its administrative boundaries. A refuse is collected in a total number of 32 196 houses. There is still a backlog of 56 000 in rural areas on which refuse is not collected. The municipality will go to rural areas after study is completed on the right mechanism.
 - e) Water services – The municipality is currently experiencing the backlog of 9 042 which it intends to rid over the MTREF years. In 2012/2013 the municipality will reduce the backlog by 4 589 at a cost of R44 million, and 3 192 at a cost of R34 million in 2013/2014 and 1 264 at a cost of R17 million in 2014/2015.
- The budget provides for 7799 households to be registered as indigents in 2012/2013, and therefore entitled to receive Free Basic Services. The number is set to increase to 15 000 in 2014/15 because municipality is intending to register rural area when we start to implement that only registered indigents will receive Free basic services not all customers will receive this benefit and other services will be rolled out to rural areas.
- The annual increase in households receiving free basic services increases the cost of providing these services the cost is anticipated to rise from R55 million in 2012/2013 to R59 million in 2013/2014 and R62 in 2014/2015. The municipality's cost of free basic services as a ratio of the equitable share equals 16.49%, 16.32% and 16.13% over the three MTREF years respectively.



PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

Section 53 of MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

The Executive Mayor

MMC for finance

Chief Financial Officer

Municipal Manager

Director for Infrastructure

Manager Budget and Revenue

Director Community Services

Civil Engineer

Director Spatial and Housing

Manager Town Planner

Assistant Accountant Budget

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and Budget time schedule of the 2012/2013 budget cycle was approved by Council on 03 August 2011, 10 months before the start of the budget year in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2012/13 IDP and Budget by the end of May 2012.

In line with the above requirements, the budget process for the 2012/2013 MTREF period proceeded according to the following timeline:

January 2012: A session of the Directors investigated past performance trends of operating and capital budgets, identified budget realities going forward, and set the criteria and basis of Municipality' budget prioritization process.

31 January 2012: The council considers the 2011/2012 Mid-year Performance Assessment Review

31 January 2012: The council considers the 2011/2012 Adjustment Budget



February 2012: Budget Steering Committee meeting to discuss the departmental inputs as draft before adoption by Council

March 2012: The annual operating and capital budgets, based on the parameters and assumptions set out in the MTREF model, will be tabled at the Council meeting and the time table for budget and IDP participation was approved.

29 March 2012: The Draft Budget for 2012/2013 MTREF and Draft IDP for 2012/2013 will be tabled in Council for public consultation

10-13 April 2012: Budget Steering Committee meeting to discuss the departmental inputs as on the draft Budget for 2012/2013

16-23 April 2012: The budget, IDP and tariffs proposals were published for consultation and comment as part of the public participation process. Comments received as a result of the public participation process were submitted to BSC and then send to users Departments for responses.

24 April -12 May 2012: Finalisation of the 2012/13 MTREF Budget taking into consideration comments received from the public and other stakeholders.

31 May 2012: Tabling of the 2012/13 MTREF budget and 2012/2013 IDP to Council for consideration and approval

07 June 2012: Notifying the public of approved 2011/12 IDP and budget

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participations process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget. In addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2012/2013 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy



2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the draft 2012/13 MTREF and its accompanying documentation were made public in the local newspaper and municipal website for public comment and consultation after it was tabled before Council on the 29 March 2012. The documents were published on the municipal website and hard copies were made available at Libraries and Municipal Building.

In addition, as legislated, the draft budget documentation was submitted in print and electronic formats to both Province and National treasury after the budget was tabled before Council. This allowed the Provincial treasury to provide views or comments on the municipality's budget, as stipulated in section 23 of the MFMA.

Ward councillors and ward committees were utilised to facilitate the community consultation process from 16 to 23 April 2012, and included 14 public briefing sessions. The dates and venues were published on the local newspaper and on the municipality website and on average attendance of 120 were recorded per meeting. Individual sessions were scheduled with Representative forums and businesses and non-profit organisations

The inputs received during the community consultation process were addressed and where relevant considered as part of the finalisation of 2012/13 MTREF. Feedback and responses were discussed in the Budget Steering Committee meeting. The following are some of the issues and concerns raised as well as comments received during the consultation process:

WARD 1

ISSUE	DEPARTMENT
- Learner ships and internships for youth	Corporate Services
- No indoor sport facilities	Parks, Sports, Arts and Culture
- Need of a shopping complex	LED & Tourism
- Recreation facilities needed	Parks, Sports, Arts and Culture
- FET College for community and youth for skills development	Department of Education
- New park needed	Parks, Sports, Arts and Culture
- Toilets and water at cemeteries needed	Infrastructure / Map Water
- Electricity is needed in Segole section	Infrastructure
- High mast lights	Infrastructure
- Street lights at Tshiamo A	Infrastructure
- Roads maintenance	Infrastructure

WARD 2

ISSUE	DEPARTMENT
- Paving of streets	Infrastructure
- Upgrading of roads	Infrastructure
- Re-graveling of streets	Infrastructure
- Building of a clinic	Department of Health
- Building of a school	Department of Education
- Storm water channels	Infrastructure
- Building of RDP houses	Department of Human
- Household electrification	Settlements
- Waterborne toilets	Infrastructure
- Maintenance of high mast	Infrastructure



lights	Infrastructure
- Street lights	Infrastructure
- Job creation programmes	All departments
- Upgrading of old infrastructure pipes	Infrastructure
- Additional transformers	Infrastructure
- Sewerage needed	Infrastructure
- Vending stations	Finance

WARD 3

ISSUE	DEPARTMENT
- Truck to remove refuse	Infrastructure
- No water Ext. 5	Infrastructure/MAP Water
- Water tank far and water is dirty	MAP Water
- Water meter not read	Infrastructure
- No water meter at other houses	Infrastructure
- Water bills received with high amount but there is no water at all	Finance
- Sites are needed	Human Settlements
- Proper roads	Infrastructure
- Paved roads	Infrastructure
- Ababator	LED & Tourism
- Education not included in budget (bursaries)	Corporate Services
- Fencing of grazing land	Department of Agriculture
- Sports facilities	Parks, Sports, Arts & Culture
- Recreational facilities	Parks, Sports, Arts & Culture
- Foot bridges need	Infrastructure
- Bridge also need	Infrastructure
- Community inputs for budget must be requested before the draft	Municipality
- No feedback is given to the community after inputs	Municipal Manager
- Kestell cemeteries fees are expensive then QwaQwa fees while the community dig graves themselves	Community Services
- Rental of Multi-purpose hall is also expensive community cannot afford to pay.	Corporate Services/Finance
- EPWP and community problems are handled in Qwaqwa causing Kestell community taxis while there is an official in Kestell offices	Municipal Manager
- Fire station be returned to Kestell	Public Safety, Roads and Transport
- Security guard salaries be	Finance & Public Safety,Roads & Transport
	Human Settlements
	Infrastructure



included in budget to be appointed in Kestell to safeguard municipality assets	Department Human Settlements
- Old burnt buildings in Tlholong be repaired or demolished as crime is emerging from those vandalized buildings	Department of Education
- Need for dust bins	Infrastructure
- Completion of RDP houses	Infrastructure
- RDP houses needed for the aged	Finance
- Technical/Trade school needed	
- Recycling needed and be assisted	
- Phahameng residents need sewerage	
- Tenders be awarded to Kestell community	

Significant changes effected in the final 2012/2013 MTREF compared to the draft 2012/2013 MTREF that was tabled for community consultation, include:

- The loan from DBSA was incorporated since the other amount will only be received in 2012/13 financial year
- Ensuring that all rural wards receive the high mast light
- An amount of R6,5 million was allocated to capital Budget to do a paved road

2.2 Overview of alignment of annual budget with IDP

The strategic direction that the Municipality will take is set out in its five-year IDP. The plan is being reviewed for the 2012/2013 financial year in conjunction with the community and its credibility is supported by a realistic and sound budget.

Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality of 34 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthaditjhaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harrismith is a service centre for the surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshiame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshiame, Intabazwe and Qwaqwa.



Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury in the Municipal Finance Management Act (MFMA) Circular Number 51, on the Municipal Budget Circular for 2010/2011 Medium Term Revenue and Expenditure Framework (MTERF) reiterates the following development priorities for municipalities and exhort the latter to do more within existing resource envelope.

- Ensuring delivery of effective services;
- Ensuring that drinking water and waste water meet the required quality standards all the time;
- Protecting the poor from the worst impacts of the economic downturn;
- Evolve performance culture where people are held accountable for their actions , accompanied by clear, measurable outcomes related to key development priorities;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation - *public* employment to support service delivery, public works using lower-skilled workers and youth development, ensuring that service providers are using labour intensive approaches, supporting labour intensive LED projects, implanting an interns programmes to provide young people with on the job-training;
- Ensuring adherence to Supply Chain Management Policy and fight corruption;
- Securing the health of municipal asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance;
- Expediting spending on capital projects that are funded by conditional grants.

Developmental Objectives and Priorities on the IDP

Following an extensive and iterative consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next three years. These development priorities are steeped within the overall cluster system of government.

The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Telecommunication Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION



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Health services
 Environmental management
 Education and training
 Parks , Sports and recreation services and library services
 Transport

Increased revenue base from rates and taxes
 Corporate governance
 Institutional transformation
 Community-based planning

PUBLIC SAFETY

Disaster Management
 Safety and Security
 Traffic Control
 Emergency services

Table 32 MBRR Table SA4- Reconciliation between the IDP Strategic objectives and Budgeted revenue
FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Sustainable Services	Water												
Sustainable Services	Electricity			314 788	165 020	152 636	283 949	318 888	318 888	367 293	385 658	404 940	
Sustainable Services	Sanitation					24 759		20 500	20 500				
Sustainable Services	Waste Management			16 143	18 154	18 951	18 533	19 449	19 449	19 266	20 229	21 241	
Sustainable Services	Health												
Sustainable Services	Community Services			16 290	5	7	7	146	146	7	8	8	
Infrastructure	Roads & Transport												
Infrastructure	Cemeteries												
Infrastructure	Housing Spatial Development and Planning			1 116	395	755	397	783	783	1 410	1 430	1 452	
Infrastructure	Municipal Infrastructure					26 439		50 902	50 902	66 000	69 300	72 765	
Infrastructure	Open Space												
Infrastructure	Public Amenities												
Good Governance	Support Services / Fleet												
Good Governance	Integrated Planning												
Good Governance	Financial Management			87 589	381 157	630 488	682 323	585 112	585 112	574 459	607 282	644 483	
Good Governance	Corporate services			492	150	496	53	–	–	55	58	61	
Good Governance	Legislative Authority			26 480									
Good Governance	Office of the Municipal Manager			163									
Economic Development	Local Economic Development												
Social Development	Parks, Sports & Recreation			1 289	1 460	851	956	588	588	1 586	1 665	1 748	
Social Development	Public Participation												
Safety & Security	Public Safety & Transport			1 538	5 511	484	1 808	2 908	2 908	3 105	3 259	3 422	
Safety & Security	Fire and rescue				255	105	53			245	257	270	
Safety & Security	Disaster Management												
Safety & Security	Security												
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	465 887	572 108	855 971	988 077	999 275	999 275	1 033 425	1 089 146	1 150 391



Table 33 MBRR Table SA5- Reconciliation between the IDP strategic objectives and budgeted operating expenditure

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Sustainable Services	Waste Water Management			177 496	144 334	279 493	279 275	343 571	343 571	381 852	401 603	422 408	
Sustainable Services	Electricity			–	–	–							
Sustainable Services	Sanitation			–	–	–							
Sustainable Services	Waste Management			26 768	27 650	26 401	33 055	31 023	31 023	40 608	44 176	48 076	
Sustainable Services	Health			–	–	–							
Sustainable Services	Community			7 255	9 684	9 984	13 067	12 098	12 098	11 326	12 243	13 242	
Infrastructure	Roads Transport			8 540	18 268	11 968	53 162	54 592	54 592	44 829	47 465	50 272	
Good Governance	Financial Management			181 926	187 443	252 133	379 321	363 195	363 195	340 400	354 427	371 090	
Good Governance	Corporate			16 030	19 084	20 092	39 502	30 807	30 807	33 582	36 194	39 029	
Good Governance	Legislative Authority			26 511	37 927	29 231	42 448	32 336	32 336	37 788	25 701	27 900	
Good Governance	Office of the Municipal Manager			8 762	18 255	11 311	32 177	23 484	23 484	28 557	30 767	33 166	
Environmental Management	Human Settlement			7 964	20 898	18 559	23 784	21 858	21 858	24 619	26 476	28 489	
Economic Development	Local Economic Development			2 448	6 714	2 381	5 417	3 544	3 544	9 323	9 732	10 445	
Social Development	Parks, Sports & Recreation			13 289	15 538	19 874	24 941	26 538	26 538	27 050	29 572	32 336	
Social Development	Municipal Infrastructure			16 205	9 516	7 601	8 784	8 778	8 778	9 925	10 846	11 856	
Safety & Security	Public Safety & Transport			23 862	26 488	35 873	36 677	46 538	46 538	42 947	46 416	50 190	
Safety & Security	Waste Water Management (MAP Water)												
Safety & Security	Disaster Management			–	1 038	89	1 141	–	–				
Safety & Security	Other												
Total Expenditure				1	517 055	542 837	724 990	972 753	998 362	998 362	1 032 807	1 075 619	1 138 498



Table 34 MBRR Table SA6- Reconciliation between the IDP strategic objectives and budgeted capital expenditure

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Sustainable Services	Waste Water Management	A		237	2 455	44 023	77 094	58 684	58 684	59 084	72 390	77 390
Sustainable Services	Water	B		34 840	6 987	52 625	110 555	116 278	116 278	89 320	68 600	68 400
Sustainable Services	Electricity	C		15 400	19 448	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Sustainable Services	Waste Management	D		–	–							
Sustainable Services	Health	E		–	–							
Sustainable Services	Community	F		5 151	2 549	2 700	–	16 800	16 800	9 000	8 000	8 000
Infrastructure	Roads & Transport	G		33 592	123 166	67 281	98 028	68 036	68 036	59 105	57 105	66 067
Infrastructure	Cemeteries	H		–	–	2 760	4 000	4 000	4 000	8 000	9 000	10 000
Infrastructure	Planning and Development	I		–	23 171	15 208	54 400	60 300	60 300	23 000	–	–
Infrastructure	Sport Stadium 2010	J		–	–							
Infrastructure	Municipal Infrastructure	K		–	–							
Infrastructure	Public Amenities	L		–	–							
Good Governance	Support Services / Fleet	M		–	–							
Good Governance	Integrated Planning	N		–	–							
Good Governance	Financial Management	O		–	–							
Good Governance	Human Resources Management	P		–	–							
Good Governance	Executive and Council	Q		–	–							
Economic Development	Local Economic Development	R		–	–							
Social Development	Health	S		500	–							
Social Development	Sports and Recreation	T		5 740	–	8 700	15 500	12 977	12 977	19 953	20 953	21 953
Social Development	Public Participation	U		–	–							
Safety & Security	Road Safety	V		–	–							
Safety & Security	Public Safety	W		–	–							
Safety & Security	Fire & Rescue	X		–	–							
Safety & Security	Disaster Management	Y		–	–							
Other	other	Z		116 920	–	52 676	10 173	55 651	55 651	102 562	3 800	3 800

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, The municipality has developed and implemented a performance system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process



begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



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TABLE 35

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
MUNICIPAL INFRASTRUCTURE										
Function 1 - ROADS										
Sub-function 1 - Roads Construction										
new roads to be constructed	kilometer				21.0%	21.0%	21.0%	30	45	60
eradication of backlogs										
Sub-function 2 - Roads maintenance										
resurfacing	kilometer				32.0%	32.0%	32.0%	70	85	90
eradication of backlogs										
Sub-function 3 - VIP Toilets										
26000 VIP Toilets	number of households				15.0%	15.0%	15.0%	10 000	10 000	6 000
eradication of backlogs										
Function 2 - Electricity										
Sub-function 1 - Connections										
7898 electricity connections	meters				15.0%	15.0%	15.0%	909	2000	2000
eradication of backlog by 4 909										
Sub-function 2 - Provide public lighting										
New street lights	wards							232	45	60
eradication of backlogs										
Sub-function 3 - Provide public lighting										
High mast lights	wards							53	30	40
eradication of backlogs										
Sub-function 4 - Provide public lighting										
Electricity repairs and maintenance	repaired							65.0%	80.0%	100.0%
eradication of backlogs										
Sub-function 5 - Refuse										
56 000 refuse collection	number of households				57.0%	57.0%	57.0%	32 196	11 902	11 902
eradication of backlogs										
Sub-function 6 - Water										
9042 of water connections	number of households				12.0%	12.0%	12.0%	4 589	3 192	1 264
eradication of backlogs										
FINANCE										
Function 1 - Revenue Management										
Sub-function 1 - Electricity meter										
Connection of Smart meter	meters				60.0%	60.0%	20.0%	40.0%	30.0%	20.0%
revenue enhancement										
Sub-function 2 - Water meter										
Connection of Smart meter	meters				40.0%	40.0%	5.0%	30.0%	20.0%	15.0%
revenue enhancement										
PUBLIC SAFETY, ROADS AND TRANSPORT										
Municipal transformation and										
To increase personnel										
to employ staff	number of staff to be							45	0	0
to increase municipal fleet										
purchases of fleet	No. of fleet to be							35	0	0
Infrastructure development and services										
To create a safe environment										
Reduction of roads accidents	No. of scholar patrol to							220	200	150
To accelerate the delivery of										
Roads pavement	kilometer							9	8	7
Re-ravelling of roads with storm water	kilometer							35	20	15
enhance municipal access roads										
PARKS, SPORTS AND RECREATION										
Arts and culture										
Creating new parks	No. of parks							4	0	0
HUMAN SETTLEMENTS & TRADITIONAL										
To eradicate the informal settlements										
to eradicate illegal structures	no. of informal settlements							2	3	2
To fence the municipal townlands										
to increase safety and security in towns	no. of commonages							3	2	1
To enforce and update the Land Use										
process town planning applications	no. of planning							75	75	100
To plan and survey 2000 erven in Rural										
formalise rural areas	No. of formally							2500	1000	1000



The following table sets out the municipalities main performance objectives and benchmarks for the 2012/2013 MTREF

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA8 Performance indicators and benchmarks

3174 Multi-a-Phasing - Supporting Table 3A6 Performance Indicators and Benchmarks										
Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.9%	1.6%	1.3%	5.3%	3.3%	3.3%	3.7%	3.6%	3.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.6%	2.6%	2.4%	7.7%	4.7%	4.7%	5.5%	5.4%	5.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	80.5%	0.0%	-102.9%	-107.0%	-107.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.0	1.4	1.0	4.5	10.1	4.5	2.1	1.4	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.4	(1.3)	(0.2)	4.1	(0.2)	(1.2)	(1.9)	(1.9)
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.2	0.5	0.5	0.5	0.0	0.0	0.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		45.4%	44.3%	56.0%	43.1%	97.3%	0.0%	88.4%	89.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			81.2%	99.2%	122.4%	44.1%	98.3%	0.0%	95.6%	96.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	41.3%	54.7%	26.5%	52.3%	125.5%	51.6%	28.6%	19.0%	18.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	71.0%	55.0%	74.0%	68.0%	68.0%	68.0%	70.0%	77.0%	82.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA's 65(e))	98.0%	96.0%	98.0%	98.0%	98.0%	98.0%	90.0%	95.0%	97.0%
Creditors to Cash and Investments		-1072.2%	947.1%	774.5%	258.9%	-208.8%	-208.8%	2387.1%	2132.4%	2044.3%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	25.2%	22.9%	18.1%	18.3%	18.9%	18.9%	19.5%	20.3%	21.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	26.2%	26.8%	18.1%	20.4%	20.9%	20.9%	21.9%	22.7%	23.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.1%	6.7%	4.7%	6.8%	6.6%	6.6%	7.3%	7.3%	7.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.5%	7.0%	4.9%	8.6%	6.6%	6.6%	6.3%	6.3%	6.2%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	33.7	24.7	13.9	18.5	18.5	18.5	27.7	28.7	30.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	68.3%	89.3%	60.8%	88.0%	217.4%	89.5%	43.1%	28.1%	28.3%
iii. Cost coverage	(Av available cash + Investments)/monthly fixed operational expenditure	(0.4)	0.6	0.5	0.7	(0.9)	(0.9)	0.1	0.1	0.1



2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The Municipality's capital expenditure is funded from three sources, namely, National government grants, internally generated funds and loans. The Municipality's borrowing was done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above.

The following financial performance indicators have formed part of the compilation of the 2012/13 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. The cost of borrowing in relation to the operating expenditure has increased from 0.9% in 2008/09 to 3.3% in 2011/12. This increase can be attributed to fund portions of the capital projects. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 3.7% in 2012/13 and will then decrease to 3.5% at the end of the MTREF. This ratio averages 3.6% over the 2012/13 MTREF which indicates that the Municipality spends an average of 3% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Capital charges to Own Revenue is a measure of the costs of borrowing in relation to the own revenue. The ratio has increased from 1.6% in 2008/09 to 4.7% in 2011/12. It is estimated that the cost of borrowing as a percentage of own revenue will reach 5.5% in 2012/13 and will then decrease to 5.2% at the end of the MTREF.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However the ratio averages 0% over the 2012/13 MTREF.

2.3.1.2 Safety of Capital

- *The debt equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above 1. For the 2011/12 MTREF the current ratio for the Municipality is 2.1 in the 2012/13, 1.4 in 2013/14 and 1.5 in 2014/15.
- *The liquidity ratio* is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This ratio for the Municipality is 0.0 over the 2012/13 MTREF. This needs to be considered as a risk for the municipality as any under collection of revenue will translate into serious financial challenges the municipality will have to enforce credit control policy.

2.3.1.4 Revenue Management

- The municipality has implemented a debt relief strategy actions are carried out against debtors who are in arrears, and loyal customers.



- The Municipality has provided an affordable payment plan for debtors to offset their arrears, where non-compliance with the payment plan leads to the suspension of all debt management actions and interest being raised.
- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.

2.3.1.5 Creditors Management

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality has continuously managed to ensure that all its creditors are settled within 30 days of invoice or statement in all cases where goods and services are rendered timeously and in good condition.

2.3.1.6 Other indicators

- Employees costs as a percentage of operating revenue has decreased from 25.2% in 2008/09 to 18.9% in 2011/12. It is estimated over the MTREF the employee cost as a percentage of operating revenue will increase from 19.5% in 2012/13 to 21.2% in 2014/15.
- Repairs and maintenance as a percentage of operating revenue is estimated to be 7.3% in 2012/13 and 2013/14 and 7.2% in 2014/15.

2.3.2 Free basic Services: basic social services package for indigent households

- All residents are entitled to receiving free basic services for 2012/13 financial year; however from 2013/14 only registered indigents will receive free electricity with the exception to water services.
- The budget provides for 7799 households to be registered as indigents in 2012/2013, and therefore entitled to receive Free Basic Services. The number is set to increase to 15 000 in 2014/15 because municipality is intending to register rural area when we start to implement that only registered indigents will receive Free basic services not all customers will receive this benefit and other services will be rolled out to rural areas.
- In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50kwh of electricity, free waste removal and sanitation as well as a 100% discount on the property rates.
- Further details relating to the number of households receiving free basic services, the costs of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 31 MBRR A10 (Basic Services Delivery Measurement) on page 47

2.4 Overview of budget-related policies

The following budget related policies have been approved by Council and is available on the Municipality's website. The following policies have been used as basis for the preparation of the annual budget and changes to these policies is listed on Annexure 5 of the budget document.

A) TARIFF POLICY

- The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.



B) CREDIT CONTROL POLICY

- This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) RATES POLICY

- This policy is formulated in terms of section 3 of the MPRA

D) SUPPLY CHAIN POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is attached in Annexure 5. This policy is under review the amendments are in line with current legislations.

- Full copies of the reviewed policy and other budget related policy are available at www.map.fs.gov.za

E) INDIGENT POLICY

- The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) BUDGET POLICY

- The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes. The most preferred method of budgeting is the "Zero based" budgeting system.

G) CASH AND INVESTMENT POLICY

- The investment Policy, which deals with the management of the municipality's surplus cash resources and the investment thereof.

2.5 Overview of Budget Assumptions

2.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2011 will be 2.3 per cent rising to 3.6 per cent by 2013.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/2013 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on the Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increases in prices for bulk electricity and water; and
- The increase in the cost of remuneration.



2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2012/2013 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2012/2013 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household information growth rate and the poor household change rate.

Household information is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household information rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred from servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

The collective agreement regarding salaries/wages expired in 2011/12 financial year so we are still awaiting the new agreement therefore 8.5 per cent was used to compile the 2012/13 budget.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving health services;
- Rural development and agriculture; and
- Fighting crime and corruption



To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 87 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2012/2013 MTREF of which performance has been factored into the cash flow budget.

The budget formats were designed to achieve the following specific aims:

1. Strengthen the links between transparencies, understand ability and accountability. The budget formats provides these links by : requiring that the information covering seven years be presented consisting of the previous three financial years, the current year, the budget year and the following two Medium Term Revenue and Expenditure Framework (MTREF) years
2. Ensuring consistency between budget and reporting formats (Monthly, midyear performance assessment , SDBIP and the reports relating to municipal entities)
3. Promote ' good practice' in municipal financial reporting
4. Promote transparent reporting of tariffs and fees/charges information
5. Ensure compliance with DoRA reporting requirements
6. Ensure the information is available to: determine the financial status and sustainability of municipalities

The preparation of annual budget for the 2012/2013 financial year shall be informed by the following:

- Annual IDP of the Municipality,
 - Actual results for 2010/2011 financial year,
 - Approved budget 2011/2012
 - Expected results for 2012/2013 financial year
 - The departmental operational plans to be prepared by the various Heads of the Departments.
- They are more uneconomical inhabitant in the area, which makes the area nodal and require more economic attention since there are lot of indigent households spread all over the area of Qwaqwa and including farms.



2.6 Overview of budget funding

TABLE 37

Breakdown of operating revenue over the medium term

Description	Medium Term Revenue & Expenditure Framework					
	Budget Year 2012/2013		Budget Year +1 2013/2014		Budget Year +2 2014/2015	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	204 309	20%	214 424	20%	225 046	20%
Service charges	451 266	44%	473 829	44%	497 521	43%
Investment revenue	2 424	0%	2 745	0%	3 082	0%
Transfers recognised - operational	348 037	34%	369 489	34%	394 751	34%
Other own revenue	27 389	3%	28 658	3%	29 992	3%
TOTAL OPERATING REVENUE	1 033 425	100%	1 089 145	100%	1 150 392	100%

The following graph is a breakdown of the operational revenue per main category for the 2012/2013

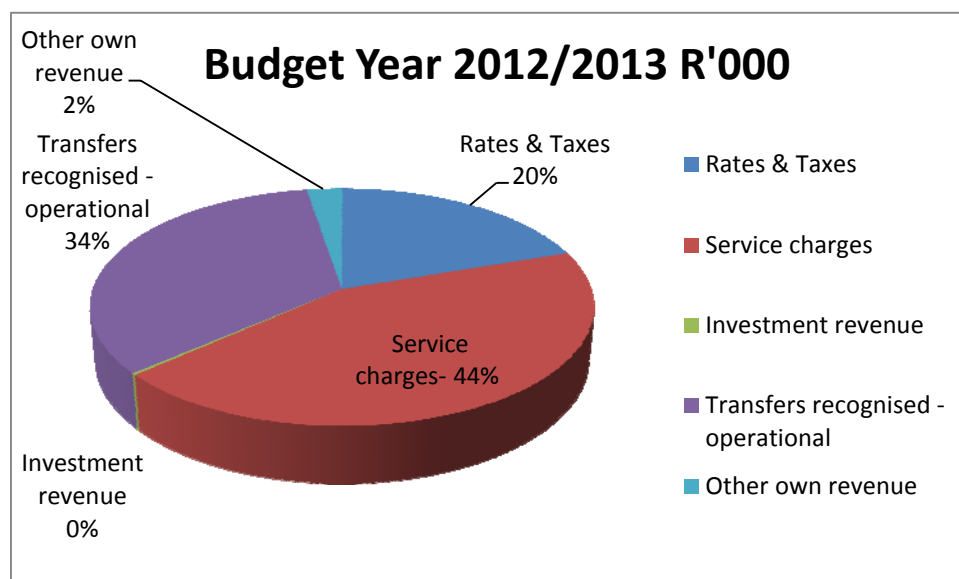


Figure 7 Breakdown of operating revenue over the 2012/2013 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from National Government and other minor charges (such as building plan fees, licenses and permits etc.).



The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 85 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) APPROVAL;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy IN TERMS OF THE Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2012/2013 MTREF on the different revenue categories are

Table 38 Proposed tariff increases over the medium-term

REVENUE CATEGORY	2012/2013 PROPOSED TARIFF INCREASE	2013/2014 PROPOSED TARIFF INCREASE	2014/2015 PROPOSED TARIFF INCREASE	2012/2013 ADDITIONAL REVENUE FOR EACH 1% TARIFF INCREASE	2013/2014 ADDITIONAL REVENUE OWING TO % TARIFF INCREASE	2014/2015 TOTAL BUDGETED REVENUE
	%	%	%	R'000	R'000	R'000
PROPERTY RATES	0%	0%	0%	0	0	0
SANITATION	5%	6%	6%	-350 000	1 008 000	1 057 000
SOLID WASTE	5%	5.5%	6.0%	-182 750	963 000	1 012 000
WATER	5.5%	6.0%	6.5%	-5 052 419	2 292 500	2 407 125
ELECTRICITY	11.0%	5.0%	5.0%	47 767 500	18 300 000	19 215 000
TOTAL				42 182 331	22 563 500	23 691 125

Revenue to be generated from property rates is R204.3 million in the 2012/13 financial year and increases to R214, 4 million by 2013/14 which represents 20 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. The increase is attributed by supplementary valuation and the preparation of the new valuation within the MTREF period

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R451.2 million for the 2012/13 financial year and increasing to R473.8 million by 2013/14. For the 2012/13 financial year services charges



amount to 44 per cent of the total revenue base and grows by 4.9 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R348.037 million, R369.489 million and R394.751 million for each of the respective financial years of the MTREF, or 30 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 10 per cent and 6 per cent for the two outer years.

Investment revenue contributes to 0% of the total operating amounting to R2 million, R2.5 million and R2.6 million for the respective three financial years of the 2012/13 MTREF.

TABLE 39 Detailed investment information

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type

3174 Multi-Financing - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds		0	77							
Deposits - Bank		48	37 700		36 594	-	-	2 000	2 540	2 692
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	49	37 777	-	36 594	-	-	2 000	2 540	2 692
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		49	37 777	-	36 594	-	-	2 000	2 540	2 692



The tables below provide detail investment information and investment particulars by maturity.

TABLE 40 investment particulars by maturity

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months								Rand thousand	
Parent municipality											
Momentum 1097570447		15 Years	Guaranteed Endowment Policies (sinking Funds)						01/07/2011	-	-
Momentum 1099456260		15 Years	Guaranteed Endowment Policies (sinking Funds)						01/07/2011	-	-
Sanlam mon market/501189057		call	Guaranteed Endowment Policies (sinking Funds)							1 445	71
Sanlam/11690236x2		15 Years	Guaranteed Endowment Policies (sinking Funds)							315	35
Sanlam Kestel 5926 Shares 2714634354		call	Guaranteed Endowment Policies (sinking Funds)							163	25
FNB Call Account (62027358292)										1	0
FNB Call Account - MIG Funds (62199534580)										10	0
FNB Call Account - Int/Hs Corr										66	3
Standard Bank (348526407)											
Municipality sub-total										2 000	134
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									2 000	134

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R618 thousands for the financial year 2012/2013. This surplus shall ensure adequate cash backing of reserves and funds.



2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/13 medium-term capital Funding:

TABLE 41 Sources of capital revenue over the MTREF

			2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2012/2013	%	Budget Year +2 2013/14	%	Budget Year +2 2014/15	%
CAPITAL GRANTS								
Funded by:								
National Government	281 517	90%	265 462	97%	266 848	100%	239 787	100%
Provincial Government	31 059	10%	8 062	3%		0%		0%
District Municipality								
Other transfers and grants								
Transfers recognised - capital	312 576	63%	273 524	69%	266 848	100%	239 787	100%
Public contributions & donations					-			
Borrowing	174 000	35%	98 000	25%	-		-	
Internally generated funds	7 350	1%	22 500	6%	-		-	
Total Capital Funding	493 926	100%	394 024	100%	266 848	100%	239 787	100%

The above table is graphically represented as follows for the 2012/2013 financial year:

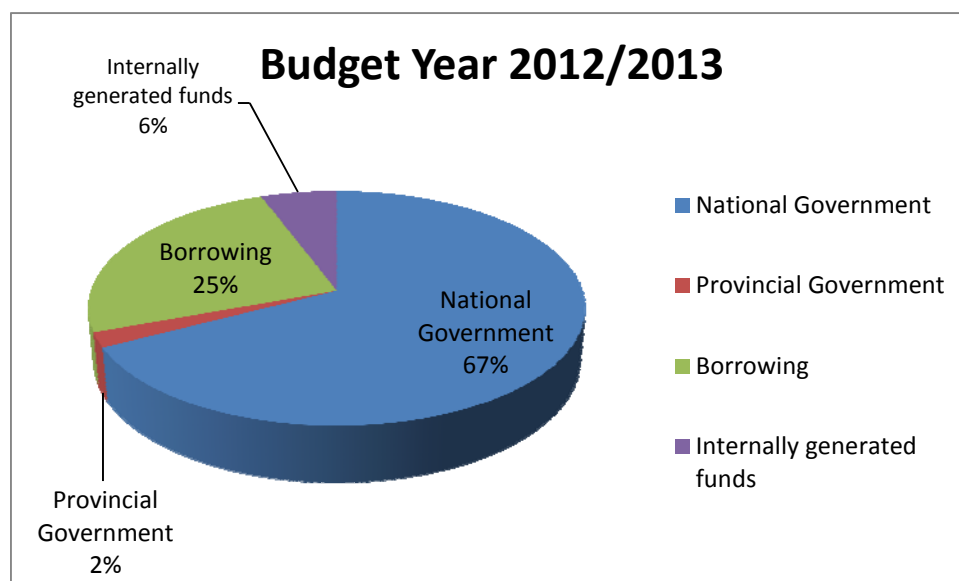


Figure 8 Sources of capital revenue for the 2012/2013 financial year

Capital grants and receipts equates to 69% of the total funding source which represents R273.5 million for the 2012/13 financial year and decrease to R266.8 million by 2013/14. Decrease relating to grant receipts is 2% and 10% over the medium-term.

Grants from national sources still remain a significant funding source for the 2012/13 to 2014/15 Capital Budget.



The following table is a detailed analysis of the municipality's borrowing

TABLE42

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)				40 000	174 000	174 000	174 000	98 000	-	-
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	40 000	174 000	174 000	174 000	98 000	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	40 000	174 000	174 000	174 000	98 000	-	-

The following graph illustrates the growth in outstanding borrowing for the 2008/2009 to 2014/2015 period.

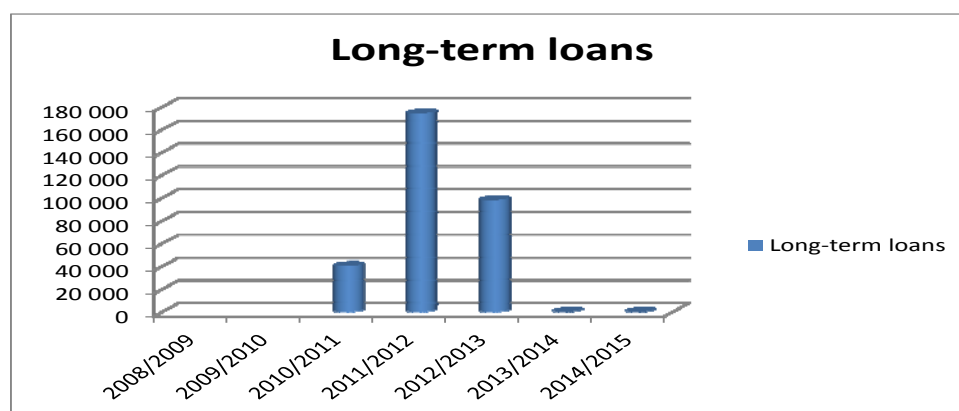




Figure 9 Growth in outstanding borrowing (long-term) liabilities

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation.

TABLE 43 Capital transfers and grant receipts

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		185 202	230 229	279 963	315 354	315 354	315 354	348 037	369 489	394 751
Local Government Equitable Share		165 374	213 995	267 069	305 453	305 453	305 453	338 076	362 119	389 051
Finance Management		500	750	1 200	1 450	1 450	1 450	1 500	1 500	1 750
Municipal Systems Improvement		734	735	750	790	790	790	800	870	950
Water Services Operating Subsidy		18 594	14 749	10 944	7 661	7 661	7 661	7 661	5 000	3 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	185 202	230 229	279 963	315 354	315 354	315 354	348 037	369 489	394 751
Capital Transfers and Grants										
National Government:		111 555	174 501	206 174	269 775	291 576	291 576	273 524	266 848	283 610
Municipal Infrastructure Grant (MIG)		86 597	126 967	142 459	171 336	171 336	171 336	207 842	219 248	237 210
Public Transport and Systems		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure		24 958	30 000	47 161	68 780	70 581	70 581	44 620	32 600	31 400
Others (EDMG, DoE-INEPG, EPWP/IG)			17 534	16 554	29 659	49 659	49 659	21 062	15 000	15 000
Provincial Government:		-	-	14 000	-	21 000	21 000	-	-	-
Provincial Government:				14 000		21 000	21 000			
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	111 555	174 501	220 174	269 775	312 576	312 576	273 524	266 848	283 610
TOTAL RECEIPTS OF TRANSFERS & GRANTS		296 757	404 730	500 137	585 129	627 930	627 930	621 561	636 337	678 361



2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other 'to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue ; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

TABLE 44

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			223 923	336 682	468 562	293 771	669 471	669 471	652 964	690 912	722 558
Government - operating		1	187 025	231 161	286 130	315 354	315 354	315 354	348 037	369 489	394 751
Government - capital		1	145 009	141 117	201 577	287 275	312 576	312 576	273 524	266 848	283 610
Interest			5 056	3 406	7 568	6 009	14 450	14 450	2 424	2 745	3 082
Dividends											
Payments											
Suppliers and employees			(262 529)	(364 440)	(537 988)	(645 411)	(790 102)	(790 102)	(774 887)	(786 888)	(825 172)
Finance charges			(2 510)	(3 998)	(3 116)	(32 430)	(10 480)	(10 480)	(16 000)	(16 800)	(17 640)
Transfers and Grants		1	(221 724)	(136 124)	(165 114)		(386 963)	(386 963)	(177 723)	(178 565)	(180 244)
NET CASH FROM/(USED) OPERATING ACTIVITIES			74 250	207 804	257 620	224 568	124 306	124 306	308 338	347 741	380 945
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			6 953	1 189	5 464	1 963	1 963	1 963	2 000	-	-
Decrease (Increase) in non-current debtors			(80 164)	(179 015)	(257 433)	(6 985)	(6 985)	(6 985)	(130 976)	(53 000)	(62 500)
Decrease (increase) other non-current receivables			(18 721)	(7 255)	3 081	178	178	178	2 568	3 560	4 560
Decrease (increase) in non-current investments						23 895	23 895	23 895	5 689	4 450	5 869
Payments											
Capital assets									(244 524)	(279 848)	(306 361)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(91 932)	(185 081)	(248 887)	19 051	19 051	19 051	(365 243)	(324 838)	(358 432)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans						(20 000)	(20 000)	(20 000)			
Borrowing long term/refinancing				18 652		(174 000)	(174 000)	(174 000)	98 000		
Increase (decrease) in consumer deposits						3 785	3 785	3 785			
Payments											
Repayment of borrowing			(1 928)	(4 921)	(6 322)	(22 000)	(22 000)	(22 000)	(22 000)	(22 000)	(22 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(1 928)	13 732	(6 322)	(212 215)	(212 215)	(212 215)	76 000	(22 000)	(22 000)
NET INCREASE/ (DECREASE) IN CASH HELD			(19 611)	36 455	2 411	31 404	(68 858)	(68 858)	19 095	903	513
Cash/cash equivalents at the year begin:		2	6 678	(12 933)	23 522	13 356	13 356	13 356	5 050	24 145	25 048
Cash/cash equivalents at the year end:		2	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	24 145	25 048	25 561

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2008/2009 and 2011/2012 financial year moving a deficit of R12.9m to a positive cash balance of R44,7m with the approved 2011/2012 MTREF. With the 2011/2012 adjustment budgets various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels.



2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 Of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall

A surplus would indicate the cash backed accumulated surplus that was/is available. A shortfall (applications>cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Noncompliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

TABLE 45

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available										
Cash/cash equivalents at the year end	1	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	5 145	6 048	6 561
Other current investments > 90 days		22 608	14 818	13 571	24 864	125 126	125 126	(3 145)	(3 508)	(3 868)
Non current assets - Investments	1	0	0	0	-	-	-	-	-	-
Cash and investments available:		9 675	38 340	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Application of cash and investments										
Unspent conditional transfers		36 622	11 594	33 738	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(2 374)	(76 452)	(49 521)	(55 995)	(992 089)	(266 604)	(143 830)	(147 900)	(152 648)
Other provisions		-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		34 248	(64 858)	(15 783)	(55 995)	(992 089)	(266 604)	(143 830)	(147 900)	(152 648)
Surplus(shortfall)		(24 573)	103 198	55 287	125 619	1 061 713	336 228	145 830	150 440	155 340

From the above table it can be seen that the cash and investments available total R2 million in the 2012/2013 financial year and progressively increase to R2.6 million by 2014/2015, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return the unspent conditional grant funds to the national revenue fund at the end of the financial year.



- No unspent borrowing from the previous financial years. In terms of the municipality's agreement with DBSA, borrowings are only drawn down once the expenditure has been incurred against the particular project.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have greater requirement for working capital resulting in cash flow challenges. For the purpose of cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation. The level of cash-backing progressively increased from R143million in 2012/13 to R152 million in 2014/15

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

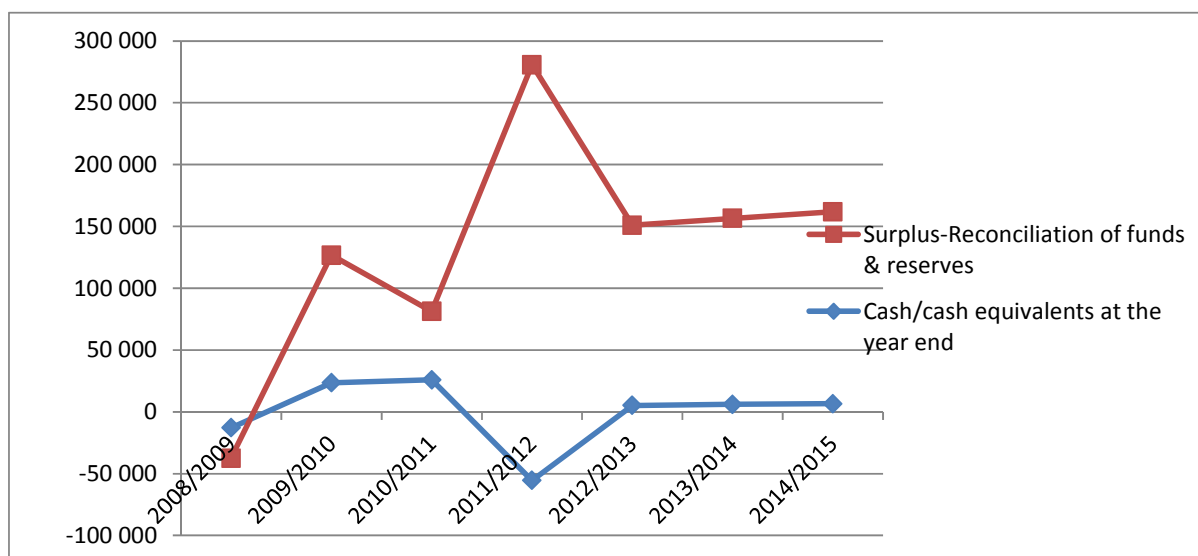


Figure 10 Cash and cash equivalents/ Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.



TABLE 46

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement

FS194 Multi-a-Phoring Supporting Table SA10 Funding measurement											
Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	(12 933)	23 522	25 932	44 760	(55 502)	(55 502)	24 145	25 048	25 561
Cash + investments at the yr end less applications - R'000	18(1)b	2	(24 573)	103 198	55 287	125 619	220 229	208 433	145 830	150 440	159 180
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.4)	0.6	0.5	0.7	(0.9)	(0.9)	0.3	0.3	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	22.2%	3.1%	59.5%	(7.7%)	(6.0%)	7.7%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	81.2%	99.2%	122.4%	44.1%	98.3%	98.3%	95.6%	96.4%	96.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	15.9%	(6.4%)	17.5%	9.9%	11.9%	11.9%	10.1%	10.1%	10.1%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	62.1%	104.9%	108.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	80.5%	0.0%	(92.3%)	(95.9%)	(95.9%)	81.3%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	67.3%	(25.7%)	139.5%	(46.6%)	39.9%	2.6%	3.7%	5.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	20.7%	(49.5%)	(100.0%)	0.0%	(100.0%)	4.6%	7.6%	13.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.9%	6.0%	4.6%	15.4%	7.3%	7.3%	5.9%	5.1%	4.6%
Asset renewal % of capital budget	20(1)(vi)	14	35.9%	100.0%	17.4%	36.4%	6.9%	6.9%	17.8%	16.2%	16.1%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very likely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2012/2013 MTREF shows a positive R24.1 million, R25 million and R25.5 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2012 MTREF, which shows that the Municipality can afford its commitments in the medium term. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is positive over the 2012 MTREF period, which shows that adequate provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to



ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2012/2013 MTREF the indicative outcome is a surplus of R 274 million, R280 million and R295.5 million which means forecast tariffs and taxes are sufficient, implying that the community is making an adequate contribution to the economic benefits they receive.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to test whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. At 7.7%, 1% and 1% for the three MTREF years the ratio for 2012/13 is higher than the National Treasury CPI targets and outer years are lower than the targets.

The increase and decrease for 2012/13 MTREF can be substantiated by investigating the revenue increase s relating to the following services charges:

- Rates – In the context of the economic environment in which the budget was compiled, the rates revenue increase was set at 0%.
- Electricity – To ensure affordability, the electricity revenue parameter was set 11.03% according to the proposed increase by NERSA then for outer years it 5% respectively over the MTREF period.
- Water – The revenue increase for water was set at 5, 5% for 2012/13 and 5% for two outer years. This increase was deemed necessary to ensure sufficient maintenance of current infrastructure and to allow for investment in new infrastructure, and the expected increase in water demand.
- Refuse removal – This revenue parameter increase was modelled at 5%.The increase is in line with CPI projections and is required to ensure continued and adequate service delivery.
- Sanitation – This revenue parameter increase was modelled at 5%.The increase is in line with CPI projections and is required to ensure continued and adequate service delivery.

2.6.5.6 Cash receipts as a percentage of ratepayers and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95.6% for 2012/2013, 96.4% for 2013/2014 and 96% for 2014/2015. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined. In additions the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should the performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 10.1% per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure



The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 62.1% per cent timing discount has been factored into the cash position forecasted in 2012/2013 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital.

2.6.5.10 Transfers/grants revenue as percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to assess repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.



2.7 Expenditure on grants and reconciliations of unspent funds

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		185 202	230 229	279 963	315 354	315 354	315 354	348 037	369 489	394 751
Local Government Equitable Share		165 374	213 995	267 069	305 453	305 453	305 453	338 076	362 119	389 051
Finance Management		500	750	1 200	1 450	1 450	1 450	1 500	1 500	1 750
Municipal Systems Improvement		734	735	750	790	790	790	800	870	950
Water Services Operating Subsidy		18 594	14 749	10 944	7 661	7 661	7 661	7 661	5 000	3 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		185 202	230 229	279 963	315 354	315 354	315 354	348 037	369 489	394 751
Capital expenditure of Transfers and Grants										
National Government:		111 555	174 501	206 174	269 775	291 576	291 576	273 524	266 848	283 610
Municipal Infrastructure Grant (MIG)		86 597	126 967	142 459	171 336	171 336	171 336	207 842	219 248	237 210
Public Transport and Systems		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure		24 958	30 000	47 161	68 780	70 581	70 581	44 620	32 600	31 400
Others (EDMG, DoE-INEPG, EPWP/IG)			17 534	16 554	29 659	49 659	49 659	21 062	15 000	15 000
Provincial Government:		-	-	14 000	-	21 000	21 000	-	-	-
Provincial Government:				14 000		21 000	21 000			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		111 555	174 501	220 174	269 775	312 576	312 576	273 524	266 848	283 610
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		296 757	404 730	500 137	585 129	627 930	627 930	621 561	636 337	678 361



TABLE 48

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				166 608				348 037	369 489	394 751
Current year receipts										
Conditions met - transferred to revenue		-	-	166 608	-	-	-	348 037	369 489	394 751
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	166 608	-	-	-	348 037	369 489	394 751
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				11 258						
Current year receipts				119 102				273 524	266 848	283 610
Conditions met - transferred to revenue		-	-	130 360	-	-	-	273 524	266 848	283 610
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year				4 483						
Current year receipts										
Conditions met - transferred to revenue		-	-	4 483	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	134 843	-	-	-	273 524	266 848	283 610
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	301 451	-	-	-	621 561	636 337	678 361
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

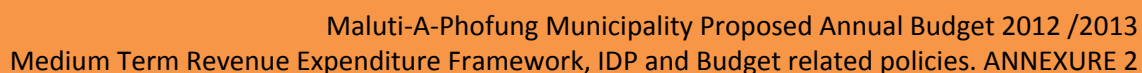


2.8 Councillor and employee benefits

TABLE 49

FS194 Maluti-a-Phofung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 274	11 157	7 798	12 455	13 342	13 342	20 393	21 447	23 521
Pension and UIF Contributions		2 076	1 925	1 334	2 380	1 653	1 653	1 496	1 500	1 520
Medical Aid Contributions		—	307	413	383	344	344	1 261	1 289	1 320
Motor Vehicle Allowance		3 858	4 022	3 882	3 988	4 077	4 077	—	—	—
Cellphone Allowance		—	—	887	932	891	891	923	969	1 018
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	853	168	—	—	—	—	—
Sub Total - Councillors	4	16 208	17 411	15 167	20 307	20 307	20 307	24 074	25 205	27 379
% increase			7.4%	(12.9%)	33.9%	0.0%	—	18.5%	4.7%	8.6%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 688	3 577	4 013	10 789	9 770	9 770	6 758	6 654	7 119
Pension and UIF Contributions		274	498	557	1 810	1 207	1 207	409	450	495
Medical Aid Contributions		—	145	162	544	352	352	176	193	212
Overtime		1 228	1 544	1 936	2 787	2 909	2 909	—	—	—
Performance Bonus		120	216	—	99	197	197	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	1 135	1 217	1 339
Cellphone Allowance	3	—	—	361	—	—	—	138	152	167
Housing Allowances	3	98	—	—	65	40	40	—	—	—
Other benefits and allowances	3	—	—	4 948	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	220	241	266
Long service awards		—	—	—	—	—	—	225	248	272
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality	4	5 408	5 980	11 977	16 095	14 475	14 475	9 060	9 156	9 871
% increase			10.6%	100.3%	34.4%	(10.1%)	—	(37.4%)	1.1%	7.8%
Other Municipal Staff										
Basic Salaries and Wages		74 317	77 381	98 258	137 811	134 255	134 255	132 780	146 318	160 879
Pension and UIF Contributions		4 365	14 673	7 144	7 867	19 819	19 819	22 188	24 407	26 847
Medical Aid Contributions		9 397	8 418	4 731	4 512	5 874	5 874	6 881	7 569	8 326
Overtime		7 528	6 096	5 929	4 033	9 796	9 796	6 745	7 420	8 162
Performance Bonus		—	17 900	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	4 961	5 292	2 747	396	2 502	2 502	4 736	5 209	5 730
Cellphone Allowance	3	—	—	—	—	457	457	1 010	1 112	1 223
Housing Allowances	3	—	—	9 203	9 255	842	842	3 422	3 764	4 141
Other benefits and allowances	3	—	—	—	873	552	552	10 683	11 751	12 925
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	4 395	4 835	5 318
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff	4	100 568	129 760	128 012	164 747	174 098	174 098	192 840	212 384	233 551
% increase			29.0%	(1.3%)	28.7%	5.7%	—	10.8%	10.1%	10.0%
Total Parent Municipality		122 184	153 151	155 156	201 149	208 881	208 881	225 973	246 744	270 801
			25.3%	1.3%	29.6%	3.8%	—	8.2%	9.2%	9.7%
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Board Fees	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Board Members of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		122 184	153 151	155 156	201 149	208 881	208 881	225 973	246 744	270 801
% increase	4		25.3%	1.3%	29.6%	3.8%	—	8.2%	9.2%	9.7%
TOTAL MANAGERS AND STAFF	5	105 976	135 740	139 989	180 843	188 573	188 573	201 900	221 539	243 423



FS194 Maluti-a-Phofung - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2010/11			Current Year 2011/12			Budget Year 2012/13		
Number	Ref	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	62	62		70	70		68		68
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	8		8	8	8		9		9
Other Managers	7							13	13	
Professionals		932	924	8	1 054	1 054	44	1 119	1 070	49
Finance		48	47	1	21	21	21	65	48	17
Spatial/town planning		24	24		60	60	5	52	43	9
Information Technology		4	4		3	3	3	4	3	1
Roads		52	52		49	49		89	85	4
Electricity		44	44		55	55		67	66	1
Water										
Sanitation										
Refuse		185	185		243	243	15	254	254	
Other		575	568	7	623	623	–	588	571	17
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		1 002	986	16	1 132	1 132	44	1 209	1 083	126
% increase					13.0%	14.8%	175.0%	6.8%	(4.3%)	186.4%
Total municipal employees headcount	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									



2.9 Monthly targets for revenue, expenditure and cash flow

TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue By Source																
Property rates		14 398	14 398	21 398	4 697	4 670	33 797	4 670	4 670	38 467	4 670	4 670	53 805	204 309	214 424	225 046
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		35 815	34 661	28 784	26 454	24 765	26 011	25 628	23 968	27 112	34 758	36 000	42 044	366 000	384 300	403 515
Service charges - water revenue		3 742	3 539	3 305	3 683	3 707	3 895	3 267	3 727	3 315	3 959	3 987	5 724	45 850	48 143	50 550
Service charges - sanitation revenue		2 099	2 185	2 092	2 062	2 221	1 024	1 657	1 932	2 002	1 009	1 568	299	20 150	21 158	22 215
Service charges - refuse revenue		1 565	1 532	1 607	1 647	1 517	1 540	1 494	1 783	1 663	1 636	1 606	1 677	19 266	20 229	21 241
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		22	22	28	42	54	301	42	39	212	60	51	326	1 200	1 260	1 323
Interest earned - external investments		9	6	398	200	317	13	29	44	23	29	84	1 272	2 424	2 745	3 082
Interest earned - outstanding debtors		1 004	1 267	1 258	2 418	1 614	1 090	1 256	2 748	1 589	1 538	844	501	17 127	17 983	18 883
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		103	135	37	148	200	369	400	258	742	471	138	50	3 051	3 204	3 364
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		114 992	2 554	-	-	2 553	112 692	2 554	-	112 692	-	-	-	348 037	369 489	394 751
Other revenue		256	625	859	626	259	657	258	594	587	258	200	833	6 011	6 211	6 422
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		174 005	60 925	59 766	41 976	41 877	181 388	41 256	39 763	188 404	48 388	49 148	106 530	1 033 425	1 089 145	1 150 391
Expenditure By Type																
Employee related costs		15 362	15 416	20 017	15 876	15 147	15 333	15 549	15 414	15 993	15 924	15 825	26 043	201 900	221 540	243 422
Remuneration of councillors		1 871	1 821	1 887	1 808	1 827	1 886	1 858	1 859	1 857	1 839	2 006	3 555	24 074	25 205	27 379
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	66 594	66 594	69 924	73 420
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	49 000	49 000	51 450	54 023
Finance charges		-	3 200	-	-	-	4 890	-	3 200	-	-	-	4 710	16 000	16 800	17 640
Bulk purchases		27 859	29 162	37 338	22 088	25 980	26 814	16 649	24 482	19 798	24 050	25 000	20 779	300 000	315 000	330 750
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		7 691	4 956	2 501	11 582	6 897	5 719	7 043	4 341	4 175	3 066	3 565	13 249	74 785	78 524	82 450
Transfers and grants		6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	77 723	78 565	80 244
Other expenditure		17 478	15 478	14 478	13 478	13 478	11 078	10 478	12 478	10 677	11 898	12 888	78 845	222 731	218 610	229 171
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		76 738	76 510	82 698	71 309	69 806	72 197	58 054	68 250	58 977	63 254	65 761	269 252	1 032 807	1 075 619	1 138 498
Surplus/(Deficit)																
Transfers recognised - capital		69 280	4 958	7 958	9 958	9 916	69 280	13 520	9 458	74 238	4 958	-	-	273 524	266 848	283 610
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	166 547	(10 628)	(14 974)	(19 375)	(18 013)	178 470	(3 278)	(19 029)	203 665	(9 908)	(16 613)	(162 722)	274 142	280 375	295 503



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Vote 1 - Legislative Authority													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Financial Services		127 637	18 894	23 908	7 937	9 336	145 235	8 756	8 048	153 349	6 482	5 792	59 085	574 459	607 282	644 483
Vote 4 - Corporate Services		5	6	4	3	8	3	2	3	2	6	5	9	55	58	61
Vote 5 - Community Services		1	1	1	1	1	-	1	-	1	1	1	1	7	8	8
Vote 6 - Public Safety		103	35	37	148	200	369	400	258	742	471	138	448	3 349	3 516	3 692
Vote 7 - Human Settlement and Traditional Affairs		16	50	-	-	68	10	9	4	6	7	1	1 239	1 410	1 430	1 452
Vote 8 - Municipal Infrastructure		46 221	41 917	35 788	33 846	32 210	35 470	32 046	31 410	34 092	41 362	43 161	45 036	452 559	475 187	498 946
Vote 9 - LED & Tourism													-	-	-	-
Vote 10 - Parks, Sports & Recreation		22	22	28	42	54	301	42	39	212	60	51	712	1 586	1 665	1 748
Vote 11 - Water & Sanitation													-	-	-	-
Vote 12 - Water													-	-	-	-
Vote 13 - Example 13													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - Clinics													-	-	-	-
Total Revenue by Vote		174 005	60 925	59 766	41 976	41 877	181 388	41 256	39 761	188 404	48 388	49 148	106 530	1 033 424	1 089 146	1 150 391
Expenditure by Vote to be appropriated																
Vote 1 - Legislative Authority		3 675	3 187	4 619	3 047	3 174	3 032	2 805	3 558	2 843	3 086	3 307	1 455	37 788	25 701	27 900
Vote 2 - Office of the Municipal Manager		1 568	1 356	1 256	1 560	1 426	1 869	1 468	1 589	1 588	2 589	1 258	11 030	28 557	30 767	33 166
Vote 3 - Financial Services		17 378	30 549	11 818	20 035	15 154	21 581	19 217	16 267	21 968	15 340	12 426	138 668	340 400	354 427	371 090
Vote 4 - Corporate Services		2 204	3 766	2 832	2 839	2 837	2 641	2 443	2 999	2 384	2 645	2 299	3 693	33 582	36 194	39 029
Vote 5 - Community Services		659	750	965	859	898	889	857	1 088	926	1 256	986	1 194	11 326	12 243	13 242
Vote 6 - Public Safety		9 204	4 766	12 832	9 039	8 847	7 646	7 447	10 099	2 386	2 647	2 301	10 562	87 776	93 880	100 462
Vote 7 - Human Settlement and Traditional Affairs		3 586	3 300	2 580	2 586	1 258	1 556	1 235	1 568	1 980	1 598	1 590	1 783	24 619	26 476	28 489
Vote 8 - Municipal Infrastructure		35 457	25 178	41 262	28 989	33 395	30 710	20 346	28 831	22 068	30 947	38 598	96 605	432 386	456 625	482 339
Vote 9 - LED & Tourism		986	760	779	766	757	799	850	780	850	758	639	600	9 323	9 732	10 445
Vote 10 - Parks, Sports & Recreation		2 022	2 898	3 755	1 589	2 060	1 474	1 386	1 471	1 984	2 388	2 359	3 664	27 050	29 572	32 336
Vote 11 - Water & Sanitation													-	-	-	-
Vote 12 - Water													-	-	-	-
Vote 13 - Example 13													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - Clinics													-	-	-	-
Total Expenditure by Vote		76 738	76 510	82 698	71 309	69 806	72 197	58 054	68 250	58 977	63 254	65 762	269 252	1 032 807	1 075 619	1 138 498
Surplus/(Deficit) before assoc.		97 266	(15 584)	(22 932)	(29 333)	(27 929)	109 191	(16 798)	(28 489)	129 427	(14 865)	(16 614)	(162 722)	618	13 527	11 894
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	97 266	(15 584)	(22 932)	(29 333)	(27 929)	109 191	(16 798)	(28 489)	129 427	(14 865)	(16 614)	(162 722)	618	13 527	11 894



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard																
<i>Governance and administration</i>		127 637	18 894	23 908	7 937	9 336	145 235	8 756	8 048	153 349	6 482	5 792	59 085	574 459	607 282	644 483
Executive and council														-	-	-
Budget and treasury office		127 637	18 894	23 908	7 937	9 336	145 235	8 756	8 048	153 349	6 482	5 792	59 085	574 459	607 282	644 483
Corporate services														-	-	-
<i>Community and public safety</i>		130	63	70	194	260	675	447	302	960	536	194	1 166	4 997	5 247	5 509
Community and social services		5	5	5	5	5	5	5	5	5	5	5	5	62	65	69
Sport and recreation		22	22	28	42	54	301	42	39	212	60	51	712	1 586	1 665	1 748
Public safety		103	35	37	148	200	369	400	258	742	471	138	448	3 349	3 516	3 692
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		34	26	60	34	36	34	36	34	15	17	30	1 053	1 410	1 430	1 452
Planning and development		34	26	60	34	36	34	36	34	15	17	30	1 053	1 410	1 430	1 452
Road transport														-	-	-
Environmental protection														-	-	-
<i>Trading services</i>		46 203	41 943	35 728	33 810	32 246	35 443	32 016	31 379	34 081	41 353	43 131	45 225	452 559	475 187	498 946
Electricity		38 797	34 686	28 724	26 418	24 801	28 985	25 598	23 937	27 101	34 749	36 971	37 526	367 293	385 658	404 940
Water		3 742	3 539	3 305	3 683	3 707	3 895	3 267	3 727	3 315	3 959	3 987	5 724	45 850	48 143	50 550
Waste water management		2 099	2 185	2 092	2 062	2 221	1 024	1 657	1 932	2 002	1 009	1 568	299	20 150	21 158	22 215
Waste management		1 565	1 532	1 607	1 647	1 517	1 540	1 494	1 783	1 663	1 636	1 606	1 677	19 266	20 229	21 241
<i>Other</i>														-	-	-
Total Revenue - Standard		174 005	60 925	59 766	41 976	41 877	181 387	41 256	39 763	188 404	48 388	49 148	106 530	1 033 425	1 089 146	1 150 391
Expenditure - Standard																
<i>Governance and administration</i>		23 257	37 502	19 269	25 921	21 165	27 254	24 465	22 824	27 195	21 071	18 032	167 020	434 974	441 299	464 919
Executive and council		3 675	3 187	4 619	3 047	3 174	3 032	2 805	3 558	2 843	3 086	3 307	20 108	56 441	45 990	49 976
Budget and treasury office		17 378	30 549	11 818	20 035	15 154	21 581	19 217	16 267	21 968	15 340	12 426	138 668	340 400	354 427	371 090
Corporate services		2 204	3 766	2 832	2 839	2 837	2 641	2 443	2 999	2 384	2 645	2 299	8 244	38 133	40 882	43 854
<i>Community and public safety</i>		9 393	7 100	13 919	6 987	5 954	8 505	7 337	9 130	4 869	5 295	5 330	9 220	93 038	100 840	109 348
Community and social services		2 226	1 390	1 390	1 390	1 390	1 390	1 390	1 390	1 390	1 390	1 390	554	16 678	18 033	19 508
Sport and recreation		2 022	2 898	3 755	1 589	2 060	1 474	1 386	1 471	1 984	2 388	2 359	3 664	27 050	29 572	32 336
Public safety		4 615	2 177	8 274	3 350	1 949	5 188	3 879	5 841	1 127	1 058	1 051	4 438	42 947	46 416	50 190
Housing		530	635	500	658	555	453	682	428	368	459	530	564	6 362	6 820	7 314
Health														-	-	-
<i>Economic and environmental services</i>		7 645	5 254	6 638	7 617	7 601	3 561	4 735	5 398	2 871	2 728	2 310	16 654	73 011	77 968	83 302
Planning and development		3 056	2 665	2 080	1 928	703	1 103	1 167	1 140	1 612	1 139	1 060	605	18 257	19 657	21 174
Road transport		4 589	2 589	4 558	5 689	6 898	2 458	3 568	4 258	1 259	1 589	1 250	16 049	54 754	58 311	62 128
Environmental protection														-	-	-
<i>Trading services</i>		35 457	25 894	42 093	30 018	34 329	32 078	20 667	30 119	23 193	33 402	39 451	75 759	422 460	445 779	470 483
Electricity		33 003	21 878	40 011	25 729	30 232	28 182	16 970	25 770	18 343	30 505	37 521	73 707	381 852	401 603	422 408
Water														-	-	-
Waste water management														-	-	-
Waste management		2 454	4 016	2 082	4 289	4 097	3 896	3 697	4 349	4 850	2 897	1 930	2 051	40 608	44 176	48 076
<i>Other</i>		986	760	779	766	757	799	850	780	850	758	639	600	9 323	9 732	10 445
Total Expenditure - Standard		76 738	76 510	82 698	71 309	69 806	72 197	58 054	68 250	58 977	63 254	65 761	269 252	1 032 807	1 075 619	1 138 498
Surplus/(Deficit) before assoc.		97 267	(15 584)	(22 932)	(29 333)	(27 928)	109 190	(16 798)	(28 487)	129 427	(14 866)	(16 614)	(162 723)	618	13 527	11 893
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	97 267	(15 584)	(22 932)	(29 333)	(27 928)	109 190	(16 798)	(28 487)	129 427	(14 866)	(16 614)	(162 723)	618	13 527	11 893



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
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TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure to be appropriated	1															
Vote 1 - Legislative Authority														-	-	-
Vote 2 - Office of the Municipal Manager														-	-	-
Vote 3 - Financial Services														-	-	-
Vote 4 - Corporate Services														-	-	-
Vote 5 - Community Services														-	-	-
Vote 6 - Public Safety														-	-	-
Vote 7 - Human Settlement and Traditional Affairs														-	-	-
Vote 8 - Municipal Infrastructure		14 474	17 032	11 046	11 573	12 017	11 226	12 722	10 457	10 066	17 386	17 968	71 700	217 667	95 905	105 867
Vote 9 - LED & Tourism														-	-	-
Vote 10 - Parks, Sports & Recreation		2 774	2 495	2 469	2 540	2 542	2 016	1 470	1 480	2 400	2 372	1 836	3 556	27 953	29 953	31 953
Vote 11 - Water & Sanitation		5 035	6 289	4 301	4 225	4 300	3 063	3 337	4 079	4 078	4 078	4 498	11 803	59 084	72 390	77 390
Vote 12 - Water		8 315	8 161	8 091	8 085	8 151	6 929	6 893	8 580	8 692	7 905	5 298	4 220	89 320	68 600	68 400
Vote 13 - Example 13														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - Clinics														-	-	-
Capital multi-year expenditure sub-total	2	30 598	33 977	25 908	26 423	27 010	23 233	24 422	24 596	25 236	31 741	29 600	91 279	394 024	266 848	283 610
Single-year expenditure to be appropriated																
Vote 1 - Legislative Authority														-	-	-
Vote 2 - Office of the Municipal Manager														-	-	-
Vote 3 - Financial Services														-	-	-
Vote 4 - Corporate Services														-	-	-
Vote 5 - Community Services														-	-	-
Vote 6 - Public Safety														-	-	-
Vote 7 - Human Settlement and Traditional Affairs														-	-	-
Vote 8 - Municipal Infrastructure														-	-	-
Vote 9 - LED & Tourism														-	-	-
Vote 10 - Parks, Sports & Recreation														-	-	-
Vote 11 - Water & Sanitation														-	-	-
Vote 12 - Water														-	-	-
Vote 13 - Example 13														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - Clinics														-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	30 598	33 977	25 908	26 423	27 010	23 233	24 422	24 596	25 236	31 741	29 600	91 279	394 024	266 848	283 610



TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council														-	-	-
Budget and treasury office														-	-	-
Corporate services														-	-	-
<i>Community and public safety</i>		2 862	2 688	2 763	2 834	2 775	2 122	1 667	1 677	2 600	2 657	2 017	10 291	36 953	37 953	39 953
Community and social services		769	779	850	850	776	608	687	693	675	663	551	1 100	9 000	8 000	8 000
Sport and recreation		2 094	1 909	1 913	1 984	1 999	1 515	980	983	1 926	1 994	1 466	9 190	27 953	29 953	31 953
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		6 614	5 582	5 645	5 532	5 594	4 319	5 284	6 023	6 545	5 657	5 198	20 112	82 105	57 105	66 067
Planning and development		1 594	1 404	1 863	1 979	1 994	1 510	979	982	1 896	1 995	1 471	5 333	23 000	-	-
Road transport		5 020	4 179	3 782	3 553	3 601	2 809	4 305	5 041	4 649	3 662	3 727	14 779	59 105	57 105	66 067
Environmental protection													-	-	-	-
<i>Trading services</i>		13 350	14 450	14 844	15 859	12 451	12 704	12 585	13 780	15 231	11 983	9 796	25 370	172 404	167 990	173 790
Electricity		-	-	2 452	3 549	-	2 713	2 355	1 122	2 461	-	-	9 348	24 000	27 000	28 000
Water		8 315	8 161	8 091	8 085	8 151	6 929	6 893	8 580	8 692	7 905	5 298	4 220	89 320	68 600	68 400
Waste water management		5 035	6 289	4 301	4 225	4 300	3 063	3 337	4 079	4 078	4 078	4 498	11 803	59 084	72 390	77 390
Waste management													-	-	-	-
<i>Other</i>		7 772	11 257	2 655	2 197	6 190	4 088	4 886	3 116	861	11 445	12 589	35 506	102 562	3 800	3 800
Total Capital Expenditure - Standard	2	30 598	33 977	25 908	26 423	27 010	23 233	24 422	24 596	25 237	31 741	29 600	91 279	394 024	266 848	283 610



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013 **Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2**

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	14 398	14 398	21 398	4 697	4 670	33 797	4 670	4 670	38 467	4 670	4 670	53 805	204 309	214 424	225 046
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	35 815	34 661	28 784	26 454	24 765	26 011	25 628	23 968	27 112	34 758	36 000	42 044	366 000	384 300	403 515
Service charges - water revenue	3 742	3 539	3 305	3 683	3 707	3 895	3 267	3 727	3 315	3 959	3 987	5 724	45 850	48 143	50 550
Service charges - sanitation revenue	2 099	2 185	2 092	2 062	2 221	1 024	1 657	1 932	2 002	1 009	1 568	299	20 150	21 158	22 215
Service charges - refuse revenue	1 565	1 532	1 607	1 647	1 517	1 540	1 494	1 783	1 663	1 636	1 606	1 677	19 266	20 229	21 241
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	22	22	28	42	54	301	42	39	212	60	51	326	1 200	1 260	1 323
Interest earned - external investments	9	6	398	200	317	13	29	44	23	29	84	1 272	2 424	2 745	3 082
Interest earned - outstanding debtors	1 004	1 267	1 258	2 418	1 614	1 090	1 256	2 748	1 589	1 538	844	501	17 127	17 983	18 883
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	103	135	37	148	200	369	400	258	742	471	138	50	3 051	3 204	3 364
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	114 992	2 554	-	-	2 553	112 692	2 554	-	112 692	-	-	-	348 037	369 489	394 751
Other revenue	256	625	859	626	259	657	258	594	587	258	200	833	6 011	6 211	6 422
Cash Receipts by Source	174 005	60 925	59 766	41 976	41 877	181 388	41 256	39 763	188 404	48 388	49 148	106 530	1 033 425	1 089 145	1 150 391
Other Cash Flows by Source															
Transfer receipts - capital	69 280	4 958	7 958	9 958	9 916	69 280	13 520	9 458	74 238	4 958	-	-	273 524	266 848	283 610
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	243 285	65 883	67 724	51 934	51 793	250 668	54 776	49 221	262 642	53 346	49 148	106 530	1 306 949	1 355 993	1 434 001
Cash Payments by Type															
Employee related costs	15 362	15 416	20 017	15 876	15 147	15 333	15 549	15 414	15 993	15 924	15 825	26 043	201 900	221 540	243 422
Remuneration of councillors	1 871	1 821	1 887	1 808	1 827	1 886	1 858	1 859	1 857	1 839	2 006	3 555	24 074	25 205	27 379
Finance charges	-	3 200	-	-	-	4 890	-	3 200	-	-	-	4 710	16 000	16 800	17 640
Bulk purchases - Electricity	27 859	29 162	37 338	22 088	25 980	26 814	16 649	24 482	19 798	24 050	25 000	20 779	300 000	315 000	330 750
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	7 691	4 956	2 501	11 582	6 897	5 719	7 043	4 341	4 175	3 066	3 565	13 249	74 785	78 524	82 450
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	6 477	77 723	78 565	80 244
Other expenditure	17 478	15 478	14 478	13 478	13 478	11 078	10 478	12 478	10 677	11 898	12 888	78 845	222 731	218 610	229 171
Cash Payments by Type	76 738	76 510	82 698	71 309	69 806	72 197	58 054	68 250	58 977	63 254	65 761	153 658	917 213	954 245	1 011 056
Other Cash Flows/Payments by Type															
Capital assets	30 598	33 977	25 908	26 423	27 010	23 233	24 422	24 596	25 237	31 741	29 600	91 278	394 024	266 848	283 610
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	107 335	110 487	108 606	97 732	96 816	95 430	82 477	92 845	84 214	94 995	95 362	244 936	1 311 236	1 221 093	1 294 666
NET INCREASE/(DECREASE) IN CASH HELD	135 949	(44 605)	(40 882)	(45 798)	(45 023)	155 237	(27 701)	(43 625)	178 428	(41 649)	(46 214)	(138 406)	(4 288)	134 900	139 335
Cash/cash equivalents at the month/year begin:	-	135 949	91 345	50 463	4 665	(40 358)	114 879	87 178	43 554	221 982	180 332	134 118	-	(4 288)	130 612
Cash/cash equivalents at the month/year end:	135 949	91 345	50 463	4 665	(40 358)	114 879	87 178	43 554	221 982	180 332	134 118	(4 288)	(4 288)	130 612	269 948



2.10 Annual budgets and service delivery and budget implementation plans – internal departments

2.10.1 Service Delivery Budget Implementation Plan

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.

2.11 Contract having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.



TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			88 687	–	161 031	274 948	398 449	398 449	258 796	202 620	215 882
Infrastructure - Road transport			33 592	–	39 108	74 400	66 636	66 636	28 830	30 830	38 292
Roads, Pavements & Bridges			33 592		39 108	74 400	66 636	66 636	28 830	30 830	38 292
Storm water											
Infrastructure - Electricity			15 400	–	19 870	88 600	101 200	101 200	24 000	27 000	28 000
Generation											
Transmission & Reticulation			15 400		19 870	88 600	99 600	99 600	24 000	27 000	28 000
Street Lighting							1 600	1 600			
Infrastructure - Water			34 840	–	52 625	19 775	116 278	116 278	89 320	68 600	68 400
Dams & Reservoirs											
Water purification											
Reticulation			34 840		52 625	19 775	116 278	116 278	89 320	68 600	68 400
Infrastructure - Sanitation			238	–	44 023	6 500	58 684	58 684	59 084	72 390	77 390
Reticulation			0		44 023						
Sewerage purification			237		–	6 500	58 684	58 684	59 084	72 390	77 390
Infrastructure - Other			4 617	–	5 405	85 673	55 651	55 651	57 562	3 800	3 800
Waste Management					–	75 500					
Transportation		2					40 000	40 000			
Gas							–	–			
Other		3	4 617		5 405	10 173	15 651	15 651	57 562	3 800	3 800
Community			47 391	–	2 850	16 727	25 000	25 000	19 953	20 953	21 953
Parks & gardens					–	–					
Sportsfields & stadia			5 740			–					
Swimming pools											
Community halls			5 151		–	2 700	2 000	2 000			
Libraries							–	–			
Recreational facilities							5 000	5 000	19 953	20 953	21 953
Fire, safety & emergency							–	–			
Security and policing							–	–			
Buses		7					–	–			
Clinics			500				–	–			
Museums & Art Galleries							–	–			
Cemeteries					2 760		4 000	4 000			
Social rental housing		8									
Other			36 000		90	14 027	14 000	14 000			
Heritage assets			–	–	–	–	–	–	–	–	–
Buildings		9									
Other											
Investment properties			–	–	–	–	–	–	–	–	–
Housing development											
Other											
Other assets			–	–	55 357	–	36 300	36 300	45 000	–	–
General vehicles		10			13 742						
Specialised vehicles			–	–	–	–	–	–	–	–	–
Plant & equipment					8 506						
Computers - hardware/equipment					10 878						
Furniture and other office equipment					6 760						
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings					8 373		36 300	36 300			
Other Land											
Surplus Assets - (Investment or Inventory)											
Other					7 098				45 000		
Agricultural assets			–	–	–	–	–	–	–	–	–
List sub-class											
Biological assets			–	–	–	–	–	–	–	–	–
List sub-class											
Intangibles			–	–	287	–	–	–	–	–	–
Computers - software & programming					287						
Other (list sub-class)											
Total Capital Expenditure on new assets		1	136 077	–	219 525	291 675	459 749	459 749	323 749	223 573	237 835



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TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			15 400	32 014	28 173	166 675	1 400	1 400	30 275	26 275	27 775
Infrastructure - Road transport			-	3 124	28 173	45 928	1 400	1 400	30 275	26 275	27 775
Roads, Pavements & Bridges				3 124	28 173	45 928	1 400	1 400	30 275	26 275	27 775
Storm water											
Infrastructure - Electricity			15 400	19 448	-	-	-	-	-	-	-
Generation			15 400	19 448	-						
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water			-	6 987	-	108 780	-	-	-	-	-
Dams & Reservoirs											
Water purification			-	6 987	-	108 780					
Reticulation											
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Reticulation											
Sewerage purification											
Infrastructure - Other			-	2 455	-	11 967	-	-	-	-	-
Waste Management			-	2 455	-	1 594					
Transportation	2										
Gas											
Other	3					10 373					
Community			60 903	145 762	11 400	-	8 777	8 777	17 000	17 000	18 000
Parks & gardens											
Sportsfields & stadia			5 740		8 700		7 977	7 977			
Swimming pools											
Community halls			5 151	2 549	2 700				9 000	8 000	8 000
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries									8 000	9 000	10 000
Social rental housing											
Other	8		50 012	143 213	-		800	800			
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other	9										
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			-	-	6 745	-	24 000	24 000	23 000	-	-
General vehicles											
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings					6 745		24 000	24 000	23 000		
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing	1		76 303	177 776	46 318	166 675	34 177	34 177	70 275	43 275	45 775



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TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			9 415	15 995	33 838	50 892	58 477	58 477	60 123	63 129	66 285
Infrastructure - Road transport			6 715	13 254	26 668	44 207	44 009	44 009	38 820	40 761	42 799
Roads, Pavements & Bridges			400	5 155	24 814	41 582	43 634	43 634	38 320	40 236	42 248
Storm water			6 315	8 099	1 854	2 625	375	375	500	525	551
Infrastructure - Electricity			2 700	2 741	5 550	6 550	14 022	14 022	21 303	22 368	23 486
Generation						1 150					
Transmission & Reticulation				2 500	3 500	2 600	5 600	5 600	10 000	10 500	11 025
Street Lighting			2 700	241	2 050	2 800	8 422	8 422	11 303	11 868	12 461
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Reticulation											
Sewerage purification											
Infrastructure - Other			-	-	1 620	135	446	446	-	-	-
Waste Management											
Transportation											
Gas											
Other					1 620	135	446	446			
Community			100	-	-	1 457	500	500	806	846	888
Parks & gardens						969	500	500	300	315	331
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries						103					
Recreational facilities											
Fire, safety & emergency			100								
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries						35			300	315	331
Social rental housing											
Other						350			206	216	227
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			4 749	22 270	5 998	14 654	6 630	6 630	14 568	15 296	16 061
General vehicles			1 292		3 527	7 094	4 650	4 650	9 130	9 587	10 066
Specialised vehicles			947	1 983	1 419	5 600					
Plant & equipment							525	525	592	621	652
Computers - hardware/equipment					386	-	316	316	991	1 040	1 092
Furniture and other office equipment			360	1 954	80	-	382	382	1 934	2 027	2 128
Abattoirs							-	-			
Markets							-	-			
Civic Land and Buildings							-	-			
Other Buildings			2 150	851	586	619	487	487	1 666	1 754	1 841
Other Land						20	-	-			
Surplus Assets - (Investment or Inventory)							-	-			
Other				17 482		1 321	271	271	256	269	282
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure		1	14 264	38 266	39 836	67 004	65 608	65 608	75 496	79 271	83 235
Specialised vehicles			947	1 983	1 419	5 600	-	-	-	-	-
Refuse			577	1 519	1 419	5 000					
Fire			370	465		600					
Conservancy											
Ambulances											
R&M as a % of PPE			2.9%	6.0%	4.6%	15.4%	42.5%	7.3%	5.9%	5.1%	4.6%
R&M as % Operating Expenditure			2.8%	7.0%	5.5%	6.9%	6.6%	6.6%	7.3%	7.4%	7.3%



TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Legislative Authority		-	-	-				
Vote 2 - Office of the Municipal Manager		-	-	-				
Vote 3 - Financial Services		-	-	-				
Vote 4 - Corporate Services		-	-	-				
Vote 5 - Community Services		-	-	-				
Vote 6 - Public Safety		-	-	-				
Vote 7 - Human Settlement and Traditional Affairs		-	-	-				
Vote 8 - Municipal Infrastructure		217 667	95 905	105 867				
Vote 9 - LED & Tourism		-	-	-				
Vote 10 - Parks, Sports & Recreation		27 953	29 953	31 953				
Vote 11 - Water & Sanitation		59 084	72 390	77 390				
Vote 12 - Water		89 320	68 600	68 400				
Vote 13 - Example 13		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - Clinics		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		394 024	266 848	283 610	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Legislative Authority		37 788	25 701	27 900				
Vote 2 - Office of the Municipal Manager		28 557	30 767	33 166				
Vote 3 - Financial Services		340 400	354 427	371 090				
Vote 4 - Corporate Services		33 582	36 194	39 029				
Vote 5 - Community Services		11 326	12 243	13 242				
Vote 6 - Public Safety		87 776	93 880	100 462				
Vote 7 - Human Settlement and Traditional Affairs		24 619	26 476	28 489				
Vote 8 - Municipal Infrastructure		432 386	456 625	482 339				
Vote 9 - LED & Tourism		9 323	9 732	10 445				
Vote 10 - Parks, Sports & Recreation		27 050	29 572	32 336				
Vote 11 - Water & Sanitation								
Vote 12 - Water								
Vote 13 - Example 13								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - Clinics								
<i>List entity summary if applicable</i>								
Total future operational costs		1 032 807	1 075 619	1 138 498	-	-	-	-
Future revenue by source	3							
Property rates		204 309	214 424	225 046				
Property rates - penalties & collection charges								
Service charges - electricity revenue		366 000	384 300	403 515				
Service charges - water revenue		45 850	48 143	50 550				
Service charges - sanitation revenue		20 150	21 158	22 215				
Service charges - refuse revenue		19 266	20 229	21 241				
Service charges - other								
Rental of facilities and equipment		617	648	681				
<i>Other Revenue</i>		377 232	400 244	427 143				
<i>List entity summary if applicable</i>								
Total future revenue		1 033 424	1 089 146	1 150 391	-	-	-	-
Net Financial Implications		393 406	253 321	271 717	-	-	-	-



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013 Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

TABLE 62

FS194 Maluti-A-Phofung - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
PROJECT MANAGEMENT UNIT		PHUTHADITHABA HALL				Community	HALL		2 700						PHUTHADITHABA	new
PROJECT MANAGEMENT UNIT		SEDBA HALL				Community	HALL			2 000	9 000	8 000	8 000		TSAME	renewal
PROJECT MANAGEMENT UNIT		RENOVATION OF COMMUNITY CENTRE (INTABAZWE)				Community	COMMUNITY CENTRE			800					NTABAZWE	new
PROJECT MANAGEMENT UNIT		SCHOKWATZ HUMAN SETTLEMENTS				Community	DEVELOPMENT			14 000						renewal
PROJECT MANAGEMENT UNIT		DPLG HOUSES				Community	DEVELOPMENT		80							new
PROJECT MANAGEMENT UNIT		FENCING AND INFRA AT CEMETRIES 1				PARKS	CEMETRIES		1 407							new
PROJECT MANAGEMENT UNIT		FENCING AND INFRA AT CEMETRIES 2				PARKS	CEMETRIES		1 263							new
PROJECT MANAGEMENT UNIT		FENCING AND INFRA AT CEMETRIES 1B				PARKS	CEMETRIES			4 000	8 000	9 000	10 000			renewal
PROJECT MANAGEMENT UNIT		PHUTHADITHABA STADIUM				PARKS	STADIUM		8 700	7 977					PHUTHADITHABA	renewal
PROJECT MANAGEMENT UNIT		NEW INDOOR AND RECREATIONAL FACILITY				PARKS	RECREATIONAL FACILITY			5 000	19 953	20 953	21 953		PHUTHADITHABA	new
PROJECT MANAGEMENT UNIT		EXTENSION OF THE MAIN BUILDING				LAND AND BUILDING	MUNICIPAL OFFICES		6 745							new
PROJECT MANAGEMENT UNIT		REFURBISHMENT OF MUNICIPAL OFFICE BUILDING				LAND AND BUILDING	MUNICIPAL OFFICES			24 000	23 000					new
PROJECT MANAGEMENT UNIT		HARRISMITH/NTABAZWE CORRIDOR PHASE 1				LAND AND BUILDING	NEW SITES DEVELOPMENT		8 373	35 325					NTABAZWE	new
PROJECT MANAGEMENT UNIT		WATER PROOFING MUNICIPAL OFFICES				LAND AND BUILDING	MUNICIPAL OFFICES			375						new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000)				Infrastructure - Electricity	Reticalation		6 875							new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000)				Infrastructure - Electricity	Reticalation		10 000							new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000) SNAKE PARK				Infrastructure - Electricity	Reticalation		1 842							new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000) DISASTER PARK				Infrastructure - Electricity	Reticalation		1 153							new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000) DOE				Infrastructure - Electricity	Reticalation			39 600						new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000)				Infrastructure - Electricity	Reticalation									new
PROJECT MANAGEMENT UNIT		ELECTRIFICATION PROGRAMME(000) DOE				Infrastructure - Electricity	Reticalation				10 000	15 000	15 000			new
PROJECT MANAGEMENT UNIT		DEMAND SIDE MANAGEMENT DOE				Infrastructure - Electricity	Reticalation				3 000					new
PROJECT MANAGEMENT UNIT		INSTALLATION OF ELETRICITY & WATER METERS				Infrastructure - Electricity	METERS			50 000						new
PROJECT MANAGEMENT UNIT		HIGHMAST LIGHTS				Infrastructure - Electricity	Street Lighting			1 600	11 000	12 000	13 000			new
PROJECT MANAGEMENT UNIT		SOLAR LIGHTS				Infrastructure - Electricity	Street Lighting			10 000						new
PROJECT MANAGEMENT UNIT		HIGHVOLTAGE LINES IN OWAQWA				Infrastructure - Electricity	HIGHVOLTAGE									new
PROJECT MANAGEMENT UNIT		STEELBRIDGES PHASE 1				ROADS & STORMWATER	FOOTBRIDGES		4 717							renewal
PROJECT MANAGEMENT UNIT		ROADS & STORMWATER PHASE 2				ROADS & STORMWATER	FOOTBRIDGES									new
PROJECT MANAGEMENT UNIT		THOLONGKESTELL PAVED ROAD 3				ROADS & STORMWATER	ROADS		11 478	18 986					KESTELL	renewal
PROJECT MANAGEMENT UNIT		THOLONGKESTELL PAVED ROAD 4				ROADS & STORMWATER	ROADS		4 031						KESTELL	renewal
PROJECT MANAGEMENT UNIT		PHUTH PAVED ROADS PHASE 2				ROADS & STORMWATER	ROADS		6 129	15 225	11 775	12 775	13 775		PHUTHADITHABA	renewal
PROJECT MANAGEMENT UNIT		PHUTH PAVED ROADS PHASE 3				ROADS & STORMWATER	ROADS								NTABAZWE	new
PROJECT MANAGEMENT UNIT		DISASTER PARK PAVED ROADS PHASE 1				ROADS & STORMWATER	ROADS		621						NTABAZWE	renewal
PROJECT MANAGEMENT UNIT		INTABAZWE PAVED ROADS 1				ROADS & STORMWATER	ROADS		7 000	1 027					NTABAZWE	renewal
PROJECT MANAGEMENT UNIT		INTABAZWE EXT 3 ROADS PHASE 1				ROADS & STORMWATER	ROADS		1 720	5 000	12 000	13 500	14 000		TSAME	renewal
PROJECT MANAGEMENT UNIT		INTABAZWE EXT 3 ROADS PHASE 2				ROADS & STORMWATER	ROADS									new
PROJECT MANAGEMENT UNIT		TSAME PAVED ROADS P1				ROADS & STORMWATER	ROADS		8 789							new
PROJECT MANAGEMENT UNIT		RESURFACING OF ROADS MAP TOWNSHIPS				ROADS & STORMWATER	ROADS		4 576							renewal
PROJECT MANAGEMENT UNIT		ROADS MAINTANANCE				ROADS & STORMWATER	ROADS		10 007							new
PROJECT MANAGEMENT UNIT		UNFINISHED MAP ROADS				ROADS & STORMWATER	ROADS		621							new
PROJECT MANAGEMENT UNIT		FOOTBRIDGES STEEL				ROADS & STORMWATER	FOOTBRIDGES		665							new
PROJECT MANAGEMENT UNIT		ALIGNMENT OF MCKECHNIE STREET MAP				ROADS & STORMWATER	ROADS		6 928						HARRISMITH	new
PROJECT MANAGEMENT UNIT		INTABAZWE ROADS PUBLIC WORKS DISTRICT				ROADS & STORMWATER	ROADS			3 000					NTABAZWE	new
PROJECT MANAGEMENT UNIT		DISASTER PARK PAVED ROADS PHASE 2				ROADS & STORMWATER	ROADS		6 200	7 532	6 532	8 532			DISASTER PARK	renewal
PROJECT MANAGEMENT UNIT		DISASTER PARK PAVED ROADS PHASE 3				ROADS & STORMWATER	ROADS									new
PROJECT MANAGEMENT UNIT		INTABAZWE PAVED ROADS 2				ROADS & STORMWATER	ROADS		2 248	8 000	9 000	10 000			NTABAZWE	new
PROJECT MANAGEMENT UNIT		INTABAZWE PAVED ROADS 3				ROADS & STORMWATER	ROADS								NTABAZWE	new
PROJECT MANAGEMENT UNIT		TSAME PAVED ROADS 2				ROADS & STORMWATER	ROADS		5 000	8 000	9 000	10 000			TSAME	new
PROJECT MANAGEMENT UNIT		TSAME PAVED ROADS 3				ROADS & STORMWATER	ROADS								TSAME	new
PROJECT MANAGEMENT UNIT		OWAQWA ROADS				ROADS & STORMWATER	ROADS			5 298	6 298	9 760			LUSAKA	new
PROJECT MANAGEMENT UNIT		CONSTRUCTION OF ROADS LUSAKA				ROADS & STORMWATER	ROADS		5 500						LUSAKA	new
PROJECT MANAGEMENT UNIT		UPGRADING OF TAXI RANK (HARRISMITH)				ROADS & STORMWATER	TAXI RANK		1 400						HARRISMITH	new
PROJECT MANAGEMENT UNIT		RETENTION MCKECHNIE STREET				ROADS & STORMWATER	ROADS		450						HARRISMITH	new
PROJECT MANAGEMENT UNIT		RURAL FOOTBRIDGES PUBLIC WORKS				ROADS & STORMWATER	FOOTBRIDGES		4 000							renewal
PROJECT MANAGEMENT UNIT		TURFONTEN/MAKENENG INTERNAL PAVED ROADS				Infrastructure - Road transport	Roads, Pavements & Bridges				6 500					renewal
PROJECT MANAGEMENT UNIT		WIP TOILET PROJECT PHASE 8				WASTE WATER MANAGEMENT	SEWER & SANITATION		31 858							new
PROJECT MANAGEMENT UNIT		WIP TOILET PROJECT PHASE 9				WASTE WATER MANAGEMENT	SEWER & SANITATION			32 800	22 084	25 390	17 390			new
PROJECT MANAGEMENT UNIT		WIP TOILET PROJECT PHASE 10				WASTE WATER MANAGEMENT	SEWER & SANITATION									new
PROJECT MANAGEMENT UNIT		WIP TOILET PROJECT PHASE 10				WASTE WATER MANAGEMENT	SEWER & SANITATION									new
PROJECT MANAGEMENT UNIT		INTABAZWE WATERBORNE TOILETS				WASTE WATER MANAGEMENT	SEWER & SANITATION		6 949							renewal
PROJECT MANAGEMENT UNIT		INTABAZWE TOILETS				WASTE WATER MANAGEMENT	SEWER & SANITATION		1 050							new
PROJECT MANAGEMENT UNIT		TSAME SEWER RETICULATION				WASTE WATER MANAGEMENT	SEWER & SANITATION		4 166	1 610					TSAME	renewal
PROJECT MANAGEMENT UNIT		INTABAZWE/HARRISMITH WASTE WATER TREATMENT WORKS				WASTE WATER MANAGEMENT	SEWER & SANITATION			10 000	20 000	30 000	40 000		NTABAZWE	new
PROJECT MANAGEMENT UNIT		MAKHOLOKONG SEWER				WASTE WATER MANAGEMENT	SEWER & SANITATION		2 774	12 000	11 000	13 000			MAKHOLOKONG	new
PROJECT MANAGEMENT UNIT		THOLOLONG SEWER				WASTE WATER MANAGEMENT	SEWER & SANITATION		5 000						KESTELL	new
PROJECT MANAGEMENT UNIT		MANDELA PARK SEWER				WASTE WATER MANAGEMENT	SEWER & SANITATION			5 000	5 000	6 000	7 000		MANDELA PARK	new
PROJECT MANAGEMENT UNIT		LUSAKA SEWERAGE				WASTE WATER MANAGEMENT	SEWER & SANITATION		6 500						LUSAKA	new
PROJECT MANAGEMENT UNIT		WILGE WATER TREATMENT PLANT PHASE 1				WATER	WATER DISTRIBUTION		2 000						HARRISMITH	new
PROJECT MANAGEMENT UNIT		WILGE WATER TREATMENT PLANT 1				WATER	WATER DISTRIBUTION		6 571	1 363					HARRISMITH	new
PROJECT MANAGEMENT UNIT		WATER NETWORK OWAQWA RURAL P1				WATER	WATER DISTRIBUTION		16 227						OWAQWA	new
PROJECT MANAGEMENT UNIT		STERKONTEN/OWAQWA BULK WATER				WATER	WATER DISTRIBUTION		691						OWAQWA	new
PROJECT MANAGEMENT UNIT		WATER QUALITY MANAGEMENT PLANT				WATER	WATER DISTRIBUTION		1 251							new
PROJECT MANAGEMENT UNIT		STERKONTEN/OWAQWA BULK WATER SCHEME				WATER	WATER DISTRIBUTION		22 437	70 581	44 620	32 600	31 400		STERKONTEN	new
PROJECT MANAGEMENT UNIT		KESTELL/THOLOLONG WATER TOTAL SOLUTION				WATER	WATER DISTRIBUTION				10 000					new
PROJECT MANAGEMENT UNIT		MAKHOLOKONG RESERVOIR				WATER	WATER DISTRIBUTION				5 000	6 000	7 000			new
PROJECT MANAGEMENT UNIT		MAKHOLOKONG WATER NETWORKS				WATER	WATER DISTRIBUTION		1 748						MAKHOLOKONG	new
PROJECT MANAGEMENT UNIT		WATER NETWORK OWAQWA RURAL PHASE 2				WATER	WATER DISTRIBUTION		1 700	42 933	29 700	30 000	30 000		OWAQWA	new
PROJECT MANAGEMENT UNIT		OWAQWA RURAL WATER NETWORK PHASE 3				WATER	WATER DISTRIBUTION								OWAQWA	new
PROJECT MANAGEMENT UNIT		CHRIS HANI WATER				WATER	WATER DISTRIBUTION									new
PROJECT MANAGEMENT UNIT		DATALAWA WATER				WATER	WATER DISTRIBUTION			1 400					DATALAWA	new
PROJECT MANAGEMENT UNIT		PROJECT MANAGEMENT UNIT				INFRASTRUCTURE-OTHER	PMU		3 461	2 913	3 500	3 800	3 800			new
PROJECT MANAGEMENT UNIT		RETENTION OF ALL PROJECTS				INFRASTRUCTURE-OTHER	RETENTIONS		1 019	2 679						renewal
PROJECT MANAGEMENT UNIT		INFRASTRUCTURE PLANS				INFRASTRUCTURE-OTHER	PLANS		925							new
PROJECT MANAGEMENT UNIT		FLEET VEHICLE & EQUIPMENT FOR WASTE REMOVAL				INFRASTRUCTURE-OTHER	Specialised vehicles - Refuse			20 000	20 000					new
PROJECT MANAGEMENT UNIT		FLEET VEHICLE & EQUIPMENT FOR ROAD CONSTRUCTION / MAINTENANCE				INFRASTRUCTURE-OTHER	FLEET			20 000	20 000					new
PROJECT MANAGEMENT UNIT		INCENTIVE GRANTS FOR MUNICIPALITY (EXIMP)				INFRASTRUCTURE-OTHER	INCENTIVE GRANT			10 059	8 162					new
PROJECT MANAGEMENT UNIT		INTERGRATED ENERGY CENTRE				INFRASTRUCTURE-OTHER	Other				6 000					new
PROJECT MANAGEMENT UNIT		AUDIO VISUAL EQUIPMENT				OTHER OPERATION	EQUIPMENT		3 161							new
PROJECT MANAGEMENT UNIT		COMPUTER EQUIPMENT				OTHER OPERATION	EQUIPMENT		10 410							new
PROJECT MANAGEMENT UNIT		FIRE EQUIPMENT				OTHER OPERATION	EQUIPMENT		217							new
PROJECT MANAGEMENT UNIT		FURNITURE & FITTINGS				OTHER OPERATION	FURNITURE		6 760							new
PROJECT MANAGEMENT UNIT		KITCHEN EQUIPMENT				OTHER OPERATION	EQUIPMENT		127							new
PROJECT MANAGEMENT UNIT		MACHINERY & PLANT EQUIPMENT				OTHER OPERATION	EQUIPMENT		8 506							new
PROJECT MANAGEMENT UNIT		MOTOR VEHICLES														



TABLE 63

FS194 Maluti-a-Phofung - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
<i>Entity Name</i> <i>Project name</i>												

There were no projects which were delayed from the previous financial years



2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed 7 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery Implementation Plan

The detail SDBIP document are on Annexure 5 and are directly aligned and informed by the 2012/2013 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and a National Treasury requirement however is still in process.

7. MFMA Training

The MFMA training module in electronic format is on-going.

8. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.



2.14 Other supporting documents

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

S174 Maitland-Financing - Supporting Table S17 Supporting detail to Budgeted Financial Performance										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		114 035	219 507	631 361	721 741	695 019	695 019	731 890	768 384	806 704
less Revenue Foregone			68 082	499 249	527 081	527 581	527 581	527 581	553 960	581 658
Net Property Rates		114 035	151 425	132 112	194 660	167 438	167 438	204 309	214 424	225 046
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		123 270	155 403	152 260	280 763	318 233	318 233	414 000	434 700	456 438
less Revenue Foregone								48 000	50 400	52 920
Net Service charges - electricity revenue		123 270	155 403	152 260	280 763	318 233	318 233	366 000	384 300	403 515
Service charges - water revenue	6									
Total Service charges - water revenue				26 389		50 902	50 902	52 405	55 090	57 914
less Revenue Foregone								6 555	6 948	7 365
Net Service charges - water revenue		-	-	26 389	-	50 902	50 902	45 850	48 143	50 550
Service charges - sanitation revenue	6									
Total Service charges - sanitation revenue				24 759		20 500	20 500	20 798	22 175	23 643
less Revenue Foregone								648	1 017	1 428
Net Service charges - sanitation revenue		-	-	24 759	-	20 500	20 500	20 150	21 158	22 215
Service charges - refuse revenue	6									
Total refuse removal revenue		16 143	18 154	18 881	18 349	19 449	19 449	19 734	20 967	22 273
Total landfill revenue										
less Revenue Foregone								468	738	1 032
Net Service charges - refuse revenue		16 143	18 154	18 881	18 349	19 449	19 449	19 266	20 229	21 241
Other Revenue by source	3									
Other revenue		1 976	2 779	3 300	66 161	90 314	90 314	4 301	4 415	4 537
Advertisement signs								58	61	64
Blockages								55	58	61
Building Plans Fees								214	224	236
Cemetery Fees								294	309	324
Commision: Rentat ESKOM 42								126	132	139
Connections: New Residents								165	174	182
Connections: New Services Business								58	61	64
Connections: Pre-paid Meters								610	641	673
Disconnections/Final reading								33	35	36
Encroachment Fees								5	6	6
Entrance Fees								92	96	101
Total 'Other' Revenue	1	1 976	2 779	3 300	66 161	90 314	90 314	6 011	6 211	6 422



TABLE 64 CONTINUED

EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	76 903	90 116	124 914	136 483	134 172	134 172	141 030	154 583	169 769
Pension and UIF Contributions		17 807	19 652	23 044	29 578	28 841	28 841	22 597	24 857	27 343
Medical Aid Contributions		8 200	12 337	3 626	6 617	8 447	8 447	7 056	7 762	8 538
Overtime		6 489	1 337	373	5 958	922	922	6 745	7 420	8 162
Performance Bonus		7 528	6 096	3 200	2 206	9 796	9 796	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	4 736	5 209	5 730
Cellphone Allowance		–	–	–	–	6 395	6 395	1 010	1 112	1 223
Housing Allowances		431	1 265	–	–	–	–	3 422	3 764	4 141
Other benefits and allowances		–	–	–	–	–	–	10 683	11 751	12 925
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	4 620	5 082	5 591
sub-total	4									
Less: Employees costs capitalised to PPE	5	117 357	130 802	155 157	180 841	188 573	188 573	201 900	221 540	243 422
Total Employee related costs	1	117 357	130 802	155 157	180 841	188 573	188 573	201 900	221 540	243 422
Contributions recognised - capital										
List contributions by contract										
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Lease amortisation		–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE		–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	10	32 429	35 935	39 125	55 000	55 000	55 000	49 000	51 450	54 023
Bulk purchases										
Electricity Bulk Purchases		137 891	166 548	237 515	245 000	245 000	245 000	300 000	315 000	330 750
Water Bulk Purchases		–	–	–	–	–	–	–	–	–
Total bulk purchases	1	137 891	166 548	237 515	245 000	245 000	245 000	300 000	315 000	330 750
Transfers and grants										
Cash transfers and grants		41 961	61 789	68 499	74 387	74 387	74 387	77 723	78 565	80 244
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–
Total transfers and grants	1	41 961	61 789	68 499	74 387	74 387	74 387	77 723	78 565	80 244
Contracted services										
Revenue Management(Old)		17 012	13 042	–	–	–	–	–	–	–
Municipal assets Insurance		16 751	19 147	22 910	18 655	28 155	28 155	36 200	38 010	39 911
Indigent Register		2 377	1 404	1 200	1 200	1 080	1 080	1 000	1 050	1 103
Photocopy Machines		1 048	1 714	1 260	2 000	2 000	2 000	1 200	1 359	1 420
Refuse collection		1 144	1 500	1 575	1 700	1 700	1 700	1 785	1 874	1 968
Valuation roll/Credit control charges		–	–	3 500	3 850	3 400	3 400	4 000	4 200	4 410
Revenue Enhancement (New)		–	21 804	26 928	17 393	22 393	22 393	3 500	3 675	3 859
Financial System		10 323	10 500	5 850	5 000	4 500	4 500	3 000	3 150	3 308
Call outs		–	–	3 737	12 500	12 500	12 500	8 100	8 406	8 833
Collection costs/printing consumer accounts		–	–	–	1 000	500	500	1 000	1 050	1 103
Streetlights		–	–	–	–	–	–	15 000	15 750	16 538
sub-total	1	48 654	69 111	66 960	63 298	76 228	76 228	74 785	78 524	82 450
Allocations to organs of state:										
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total contracted services		48 654	69 111	66 960	63 298	76 228	76 228	74 785	78 524	82 450



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Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions									
Consultant fees		7 123	8 692	7 052	13 440	12 117	12 117	9 749	10 236
Audit fees		6 272	1 600	3 500	4 000	4 000	4 000	3 000	3 150
General expenses	3	66 124	68 195	66 794	228 500	243 877	243 877	193 537	187 957
DEPARTMENTAL CHARGES								8 845	9 287
ASSETS FROM OWN FUNDS								7 600	7 980
									8 379
Total 'Other' Expenditure	1	79 519	78 487	77 346	245 939	259 994	259 994	222 731	218 610
									229 171
Repairs and Maintenance									
Employee related costs	8								
Other materials									
Contracted Services									
Other Expenditure		17 127	19 091	38 417	61 406	65 608	65 608	75 496	79 271
Total Repairs and Maintenance Expenditure	9	17 127	19 091	38 417	61 406	65 608	65 608	75 496	79 271
									83 235

TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Financial Services	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Public Safety	Vote 7 - Human Settlement and Recreation	Vote 8 - Municipal Infrastructur e	Vote 9 - LED & Tourism	Vote 10 - Parks, Sports & Recreation	Vote 11 - Water & Sanitation	Vote 12 - Water	Vote 13 - Example 13	Vote 14 - (NAME OF VOTE 14)	Vote 15 - Clinics	Total
R thousand	1																
Revenue By Source																	
Property rates				204 309													204 309
Property rates - penalties & collection charges																	-
Service charges - electricity revenue									366 000								366 000
Service charges - water revenue												20 150	45 850				45 850
Service charges - sanitation revenue																	20 150
Service charges - refuse revenue									19 266								19 266
Service charges - other											1 200						-
Rental of facilities and equipment																	1 200
Interest earned - external investments				2 424													2 424
Interest earned - outstanding debtors				17 127													17 127
Dividends received																	-
Fines							3 051										3 051
Licences and permits																	-
Agency services																	-
Other revenue				2 562	55	7	298	1 410	1 293		386						6 011
Transfers recognised - operational				348 037													348 037
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	574 459	55	7	3 349	1 410	386 559	-	1 586	20 150	45 850	-	-	-	1 033 424
Expenditure By Type																	
Employee related costs		6 643	15 650	27 200	18 654	7 022	34 316	12 519	52 410	4 109	23 376						201 900
Remuneration of councillors		24 074															24 074
Debt impairment				66 594													66 594
Depreciation & asset impairment				49 000													49 000
Finance charges				16 000													16 000
Bulk purchases									300 000								300 000
Other materials																	-
Contracted services				43 800					30 985								74 785
Transfers and grants				77 723													77 723
Other expenditure		7 071	12 907	60 083	14 928	4 304	53 459	12 101	48 990	5 214	3 674						222 731
Loss on disposal of PPE																	-
Total Expenditure		37 788	28 557	340 400	33 582	11 326	87 776	24 619	432 386	9 323	27 050	-	-	-	-	-	1 032 807
Surplus/(Deficit)		(37 788)	(28 557)	234 059	(33 527)	(11 319)	(84 427)	(23 210)	(45 827)	(9 323)	(25 464)	20 150	45 850	-	-	-	618
Transfers recognised - capital				273 524													273 524
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(37 788)	(28 557)	507 583	(33 527)	(11 319)	(84 427)	(23 210)	(45 827)	(9 323)	(25 464)	20 150	45 850	-	-	-	274 142



TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

		Supporting detail to Budgeted Financial Position						2012/13 Medium Term Revenue & Expenditure Framework		
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			Budget Year	Budget Year	Budget Year
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	2012/13	+1 2013/14	+2 2014/15
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days										
Other current investments > 90 days		36 979	38 339	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Total Call investment deposits	2	36 979	38 339	39 504	69 624	69 624	69 624	2 000	2 540	2 692
Consumer debtors										
Consumer debtors		486 929	594 741	574 827	674 366	574 366	574 366	614 828	650 570	689 604
Less: Provision for debt impairment		(398 908)	(378 111)	(421 612)	(356 890)	(399 000)	(399 000)	(400 797)	(437 908)	(464 182)
Total Consumer debtors	2	88 021	216 630	153 215	317 476	175 366	175 366	214 031	212 662	225 422
Debt impairment provision										
Balance at the beginning of the year		398 908	398 908	378 111	356 890	378 111	378 111	400 797	437 908	464 182
Contributions to the provision										
Bad debts written off										
Balance at end of year		398 908	398 908	378 111	356 890	378 111	378 111	400 797	437 908	464 182
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		937 178	1 116 186	1 381 120	772 792	1 230 841	1 230 841	1 740 101	2 015 430	2 301 662
Leases recognised as PPE				–	–	–	–	–	–	–
Less: Accumulated depreciation	3	443 458	479 791	518 293	337 713	337 713	337 713	458 925	458 920	477 277
Total Property, plant and equipment (PPE)	2	493 721	636 395	862 827	435 079	893 128	893 128	1 281 176	1 556 509	1 824 385
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)				–						
Current portion of long-term liabilities		–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		–	–	–	–	–	–	–	–	–
Trade and other payables										
Trade and other creditors		138 672	222 774	200 855	115 867	115 867	115 867	122 819	128 960	134 118
Unspent conditional transfers		36 622	11 594	33 738	–			–	–	–
VAT										
Total Trade and other payables	2	175 294	234 368	234 593	115 867	115 867	115 867	122 819	128 960	134 118
Non current liabilities - Borrowing										
Borrowing	4	10 615	19 622	12 510	–			98 000		
Finance leases (including PPP asset element)		572		–	14 882	14 882	14 882	–	–	–
Total Non current liabilities - Borrowing		11 187	19 622	12 510	14 882	14 882	14 882	98 000	–	–
Provisions - non-current										
Retirement benefits										
List other major provision items										
Refuse landfill site rehabilitation										–
Other										
Total Provisions - non-current		–	–	–	–	–	–	–	–	–
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		643 077	541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253
GRAP adjustments		(50 435)	175 556	–	(459 101)	231 098	97 088	(131 333)	95 779	(6 248)
Restated balance		592 642	717 030	746 301	418 181	1 108 378	1 206 378	1 075 957	1 445 878	1 720 005
Surplus/(Deficit)		(51 168)	29 270	130 981	459 099	912	912	274 142	280 375	295 503
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets		–								
Other adjustments										
Accumulated Surplus/(Deficit)	1	541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253	2 015 508
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	2	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	541 474	746 301	877 282	877 280	1 109 290	1 207 290	1 350 099	1 726 253	2 015 508



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TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions

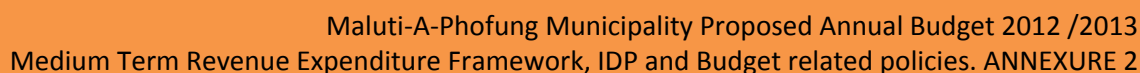
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population					400	416	465	516 503	537 163	542 328	580 290	
Females aged 5 - 14					45	46	52	57 527	59 828	65 090	70 890	
Males aged 5 - 14					44	45	51	56 295	58 547	59 091	62 909	
Females aged 15 - 34					78	81	90	100 334	101 347	102 910	105 910	
Males aged 15 - 34					69	71	80	88 467	88 647	89 343	91 891	
Unemployment					65	67	75	83 732	87 081	90 891	92 891	
Monthly household income (no. of households)	1, 12											
No income					198 751	206 383	231 083	231 083	256 502	260 890	263 821	
R1 - R1 600												
R1 601 - R3 200					182 463	189 470	212 146	212 146	235 482	243 123	250 890	
R3 201 - R6 400					4 700	4 880	5 464	5 464	6 065	7 908	8 289	
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					385 413	400	416	465	516	552	585	
Number of poor people in municipal area					46 085	48	50	56	62	66	70	
Number of households in municipal area					97 172	101	105	117	129	138	146	
Number of poor households in municipal area					21 228	22	23	26	28	30	32	
Definition of poor household (R per month)					1 500	1 500	1 650	1 850	2 053 000	2 196 710	2 328 513	
Housing statistics												
Formal	3				1	1	1	1	1	1	1	
Informal					0	0	0	0	0	0	0	
Total number of households					1	1	1	1	1	1	1	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings					-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing						13.5%	13.5%	13.5%	13.8%	13.9%		
Interest rate - investment						9.5%	9.0%	9.5%	9.6%	9.8%		
Remuneration increases						7.5%	7.5%	7.5%	7.6%	7.7%		
Consumption growth (electricity)						10.0%	10.0%	10.0%	10.2%	10.5%		
Consumption growth (water)						10.0%	10.0%	10.0%	10.2%	10.5%		
Collection rates	7											
Property tax/service charges						70.0%	70.0%	70.0%	70.0%	70.5%	70.9%	
Rental of facilities & equipment						6.5%	6.5%	6.5%	6.5%	6.9%	7.0%	
Interest - external investments						9.5%	9.5%	9.5%	9.5%	9.7%	9.8%	
Interest - debtors						12.5%	12.5%	12.5%	12.5%	12.6%	12.7%	
Revenue from agency services						10.0%	10.0%	10.0%	10.0%	10.5%	10.7%	



TABLE 67 CONTINUED

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling		12 890	13 000 000	13 200	13 200	13 200	13 860	14 553	15 281
		Piped water inside yard (but not in dwelling)		5 065	5 115	5 371	5 371	5 371	5 639	5 921	6 157
	8	Using public tap (at least min.service level)		3 890	3 900	3 986	3 986	3 986	4 010	4 120	4 115
	10	Other water supply (at least min.service level)		2 281	2 395	2 514	2 514	2 514	2 640	2 772	2 883
		<i>Minimum Service Level and Above sub-total</i>	-	24 126	13 011 410	25 071	25 071	25 071	26 149	27 366	28 436
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply		178	186	195	195	195	205	215	223
		<i>Below Minimum Service Level sub-total</i>	-	178	186	195	195	195	205	215	223
		Total number of households	-	24 304	13 011 596	25 266	25 266	25 266	26 354	27 581	28 659
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)		13 241	13 373	14 042	14 042	14 042	14 744	15 482	16 101
		Flush toilet (with septic tank)		464	469	492	492	492	517	542	562
		Chemical toilet		4 599	4 645	4 878	4 878	4 878	5 122	5 378	5 689
		Pit toilet (ventilated)		2 830	29 718	31 204	31 204	31 204	32 765	34 403	35 680
		Other toilet provisions (> min.service level)		966	1 014	1 064	1 064	1 064	1 117	1 173	1 285
		<i>Minimum Service Level and Above sub-total</i>	-	22 100	49 219	51 680	51 680	51 680	54 265	56 978	59 317
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions		966	1 014	1 064	1 064	1 064	1 117	1 173	1 220
		<i>Below Minimum Service Level sub-total</i>	-	966	1 014	1 064	1 064	1 064	1 117	1 173	1 220
		Total number of households	-	23 066	50 233	52 744	52 744	52 744	55 382	58 151	60 537
		<u>Energy:</u>									
		Electricity (at least min.service level)	2 904	2 904	3 049	3 201	3 201	3 201	3 361	3 529	3 706
		Electricity - prepaid (min.service level)	8 713	8 713	9 149	9 606	9 606	9 606	10 086	10 591	11 520
		<i>Minimum Service Level and Above sub-total</i>	11 617	11 617	12 198	12 807	12 807	12 807	13 447	14 120	15 226
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources	5 739	5 739	6 026	6 327	6 327	6 327	6 643	6 975	7 254
		<i>Below Minimum Service Level sub-total</i>	5 739	5 739	6 026	6 327	6 327	6 327	6 643	6 975	7 254
		Total number of households	17 356	17 356	18 224	19 134	19 134	19 134	20 090	21 095	22 480
		<u>Refuse:</u>									
		Removed at least once a week	16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000
		<i>Minimum Service Level and Above sub-total</i>	16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	16 225	16 225	16 550	37 000	37 000	37 000	44 000	56 000	64 000



Municipal in-house services		Ref.	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
		Household service targets (000)									
		<u>Water:</u>									
	8	Piped water inside dwelling									
	10	Piped water inside yard (but not in dwelling)									
		Using public tap (at least min.service level)									
		Other water supply (at least min.service level)									
	9	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	10	Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	83 098	84 498	86 316	20 000	20 000	20 000	83 098	84 498	86 316
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	83 098	84 498	86 316	20 000	20 000	20 000	83 098	84 498	86 316
		Total number of households	83 098	84 498	86 316	20 000	20 000	20 000	83 098	84 498	86 316
		<u>Refuse:</u>									
		Removed at least once a week	30 112	30 112	30 112	25 000	25 000	25 000	30 112	30 112	30 112
		<i>Minimum Service Level and Above sub-total</i>	30 112	30 112	30 112	25 000	25 000	25 000	30 112	30 112	30 112
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump	2	2	2	2 100	2 100	2 100	2	2	2
		Other rubbish disposal									
		No rubbish disposal									
		<i>Below Minimum Service Level sub-total</i>	2	2	2	2 100	2 100	2 100	2	2	2
		Total number of households	30 114	30 114	30 114	27 100	27 100	27 100	30 114	30 114	30 114

Municipal entity services		Ref.	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		



Maluti-A-Phofung Municipality Proposed Annual Budget 2012 /2013
Medium Term Revenue Expenditure Framework, IDP and Budget related policies. ANNEXURE 2

Services provided by 'external mechanisms'	Ref.		2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Names of service providers		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Energy:</u>									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Refuse:</u>									
		Removed at least once a week									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-



TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
M21 SYSTEM CC	Mths	12	Installation of Prepaid Meters and Removal of all the Electricity Tappers	30 June 2013	600
RNT MANAGEMENT	Yrs	3	Compilation of rural Indigent Register	30 November 2014	1 200
ENVIROFILL INTERWASTE (PTY) LTD	Yrs	3	Operations and Maintenance of Harrismith and Qwaqwa Landfill Sites	30 June 2013	1 789
ALTIMAX TRAINING ACADEMY (PTY) LTD	Yrs	3	Compilation of Annual Statements (AFS)	26 May 2014	1 000
CAB HOLDINGS (TY) LTD	Yrs	3	Printing and mailing of consumer accounts	24 October 2014	960



2.15 Municipal manager's quality certification

I Ratoolo Kau Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipality and the integrated development plan

Print name: Ratoolo Stephen Kau

Municipal Manager of Maluti - A - Phofung Municipality

Signature: _____

Date: _____